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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	The Guardian Life Insurance Company of America
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.003 Other		
<b>Product Name:</b>	LTC with CAUL 2018		
<b>Project Name/Number:</b>	LTC with CAUL 2018/18-LTCR		

## Filing at a Glance

Company:	The Guardian Life Insurance Company of America
Product Name:	LTC with CAUL 2018
State:	District of Columbia
TOI:	LTC03I Individual Long Term Care
Sub-TOI:	LTC03I.003 Other
Filing Type:	Form
Date Submitted:	05/03/2018
SERFF Tr Num:	GARD-131468112
SERFF Status:	Closed-APPROVED
State Tr Num:	
State Status:	
Co Tr Num:	18-LTCR
Implementation	06/18/2018
Date Requested:	
Author(s):	Louis A Conte, Peter Diggins, Margaret Lewis-Forbes, John Monahan, Carline Hamilton, Kathleen Tobin, Michaela Bell
Reviewer(s):	Colin Johnson (primary)
Disposition Date:	05/07/2018
Disposition Status:	APPROVED
Implementation Date:	05/07/2018

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## General Information

Project Name: LTC with CAUL 2018 Status of Filing in Domicile: Pending  
Project Number: 18-LTCR Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Individual Market Type:  
Overall Rate Impact: Filing Status Changed: 05/07/2018  
State Status Changed:  
Deemer Date: Created By: Louis A Conte  
Submitted By: Louis A Conte Corresponding Filing Tracking Number:

### Filing Description:

Re:The Guardian Life Insurance Company of America  
NAIC #: 429-64246FEIN #: 13-5123390  
Accelerated Death Benefit for Long Term Care Services Rider, form 18-LTCR UL  
Outline of Coverage form 18-LTCR OC UL  
Application Supplement, form LTC APP SUPP UL DC  
Accelerated Death Benefit for Terminal Illness Rider, Form 18-TIR UL

Dear Commissioner:

Enclosed for your approval are the forms referenced above. Please see the Appendix for more information about any forms being replaced and other previously approved forms that will be used with the above forms. We plan to introduce these forms in June 2018 or upon approval, if later.

These riders will be used with the Universal Life policy, which is approved on 3/29/2018 (SERFF Tracking #: GARD-131419108).

Rider form 18-LTCR UL allows death benefits under whole life policies to be accelerated if a chronically ill insured is receiving qualified long term care services in accordance with a doctor's plan of care. The rider is intended to comply with Section 7702(B)(b) of the Internal Revenue Code as a Qualified Long Term Care Contract.

Under this rider, the owner chooses a LTC Pool which is the portion of the base policy face amount that can be accelerated under this rider. There will be a residual death benefit under the policy so the maximum LTC Pool will not exceed the lesser of 90% of the base policy face amount.

There is also a nonforfeiture option under this rider. There is an additional cost if this option is elected and, if elected, a reduced LTC benefit is available even if the base policy is surrendered or lapses.

If the requirements of the rider are satisfied, the owner will be able to receive monthly LTC benefit payments. The accumulated amount of monthly LTC benefit payments reduces the policy death benefit on a dollar for dollar basis. The maximum monthly LTC benefit is the lesser of 2% of the Basic LTC Amount or 200% of the IRS per diem amount for a given calendar year. The owner may elect to receive this amount or a lesser amount as monthly benefit payments.

This rider will be used in fully underwritten situations and is available at issue ages 18-75 in the general life insurance market.

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The minimum policy size for the rider is \$100,000 and is available with standard or better risk classes. The rider can be issued on a sex-distinct basis and in situations where Norris applies on a unisex basis. This rider will not be allowed if the intent is to replace existing LTC coverage.

Form 18-LTCR OC UL is the outline of coverage that will be used with LTC rider.

Form LTC APP SUPP UL DC will be used to apply for the rider.

We are currently developing advertising materials for this product and will submit them for approval once they are completed.

Rider form 18-TIR UL will be included in policies in which the above referenced LTC rider is also attached. The rider is intended to provide a terminal illness acceleration alternative to the LTC accelerate provided by the LTC rider. It does not have a premium cost. This rider provides for an accelerated death benefit payment to the owner if the insured is certified as Terminally Ill and if the owner submits a proper written request to Guardian.

We will require our agents and brokers to give form 18-TIR UL Disc to the applicant at the time the application is completed whenever the Accelerated Death Benefit for Terminal Illness Rider is intended to be part of the policy.

The riders will be marketed with an illustration.

All applicable certifications, transmittals and filing fees are enclosed, as well as actuarial memoranda applicable to rider forms. Statements of variability, which describe those elements of the forms that are variable in nature, are attached.

These forms will be laser emitted or pre-printed with the identical language that was approved by your state. We reserve the right to change the duplex printing, pagination, line location of sentences and words and type font (but not the point size) of these forms without submitting them for approval.

I hope this information is satisfactory and that we may receive your approval of these forms at your earliest convenience. If you have any questions, please feel free to contact me at (212) 598-7436 or by e-mailing me at Peter\_J\_Diggins@glic.com.

Sincerely,

Pete Diggins  
Director, Individual Life Product Filing and Compliance

## Company and Contact

### Filing Contact Information

Louis Conte, Administrative Assistant	Louis_Conte@glic.com
7 Hanover Square	212-598-7446 [Phone]
H 25 A	111-111-1111 [FAX]
New York, NY 10004	

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### Filing Company Information

The Guardian Life Insurance  
Company of America  
7 Hanover Square  
New York, NY 10004  
(212) 598-8704 ext. [Phone]

CoCode: 64246  
Group Code: 429  
Group Name:  
FEIN Number: 13-5123390

State of Domicile: New York  
Company Type: Life  
State ID Number:

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### Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

<b>SERFF Tracking #:</b>	GARD-131468112	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	18-LTCR
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	The Guardian Life Insurance Company of America		
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Colin Johnson	05/07/2018	05/07/2018

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	The Guardian Life Insurance Company of America
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## Disposition

Disposition Date: 05/07/2018  
 Implementation Date: 05/07/2018  
 Status: APPROVED

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Agent's Certification	APPROVED	Yes
Supporting Document	Actuarial Memorandum	APPROVED	Yes
Supporting Document	DC readability	APPROVED	Yes
Supporting Document	Statements of Variabiltiy	APPROVED	Yes
Supporting Document	DC appendix	APPROVED	Yes
Form	Accelerated Death Benefit for Long Term Care Services Rider	APPROVED	Yes
Form	Accelerated Death Benefit for Terminal Illness Rider	APPROVED	Yes
Form	Outline of Coverage	APPROVED	Yes
Form	Application Supplement	APPROVED	Yes

SERFF Tracking #:

GARD-131468112

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18-LTCR

State: District of Columbia

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The Guardian Life Insurance Company of America

## Form Schedule

### Lead Form Number: 18-LTCR UL

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1	APPROVED 05/07/2018	Accelerated Death Benefit for Long Term Care Services Rider	18-LTCR UL	POLA	Initial		50.000	18-LTCR UL.pdf
2	APPROVED 05/07/2018	Accelerated Death Benefit for Terminal Illness Rider	18-TIR UL	POLA	Initial		50.000	18-TIR UL.pdf
3	APPROVED 05/07/2018	Outline of Coverage	18-LTCR UL OC	OUT	Initial		50.000	18-LTCR UL OC.pdf
4	APPROVED 05/07/2018	Application Supplement	LTC APP SUPP UL DC	AEF	Initial		52.000	LTC APP SUPP UL DC.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

**THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA**  
**ACCELERATED DEATH BENEFIT FOR LONG TERM CARE SERVICES RIDER**

**Rider Specifications**

LTC POOL	\$ [100,000] <sup>1</sup>
OPTIONAL NONFORFEITURE BENEFIT	[Elected/NA] <sup>2</sup>
CURRENT LTC RIDER COI RATE	[0.5555] <sup>3</sup>
MAXIMUM LTC RIDER COI RATE	[1.1000] <sup>4</sup>
MINIMUM LTC POOL	\$ [90,000] <sup>5</sup>
MAXIMUM LTC POOL	[90% of Basic Policy Face Amount] <sup>6</sup>
MINIMUM MONTHLY LTC BENEFIT	\$ [500] <sup>7</sup>
MAXIMUM MONTHLY LTC BENEFIT	[The lesser of 2% of the Basic LTC Pool or 60 times the per diem amount declared by the Internal Revenue Service for a given calendar year. ] <sup>8</sup>

This Accelerated Death Benefit for Long Term Care Services Rider allows the Owner to receive accelerated death benefit payments when the Insured is Chronically Ill and receiving Qualified Long Term Care Services by a Health Care Provider under a Plan of Care for Adult Day Care, Assisted Living Care, Skilled Nursing Care, Intermediate Care or Custodial Care in a Long Term Care Facility or Home Health Care.

**TAXATION:** This rider is intended to qualify as a Qualified Long Term Care insurance contract under Section 7702B(b) of the Internal Revenue Code. Although receipt of the payments made under this rider are intended to qualify for favorable tax treatment under Section 7702B of the Internal Revenue Code, payments made under this rider may be taxable if the Owner is not the insured or the insured's spouse. Since benefits under this rider may exceed those that would qualify for favorable tax treatment under 7702B, some benefits under this rider may be taxable even if the insured is the Owner or Owner's spouse. The Guardian Life Insurance Company of America and its affiliates, agents, or employees does not provide tax or legal advice. The Owner should consult a competent tax or legal advisor to determine the current tax consequences before requesting any accelerated death benefit payments.

**CAUTION:** This rider was issued based on the answers to the statements made on the application(s) for this rider. Copies of the application(s) for this rider are attached to the Policy. If the statements are not correctly recorded and complete and true to the best of the knowledge and belief of the person(s) who made them, we have the right to deny benefits or rescind this rider subject to the terms of this rider. The best time to clear up any questions is now, before a claim arises. If for any reason you feel the statements made in these applications are incorrect, contact us at the Customer Service Office shown in the Policy.

**NOTICE TO BUYER:** This rider may not cover all of the costs associated with long term care services during the Period of Coverage. You are advised to carefully review all limitations under this rider. Exercising this rider will impact the life insurance benefits under this Policy including the death benefit and Net Cash Surrender Value. Payments made under this rider may be taxable. Payments received under another long term care policy/rider may impact the taxability of payments under this rider. You should consult a tax advisor prior to receiving monthly payments under this rider.

**Free Look Period:** The Owner has the right to examine this rider and return it for cancellation to our Customer Service Office or to any agent or agency within 30 days after receiving it. A written cancellation notice must be delivered or mailed to cancel this rider. Any notice given by mail is effective on being postmarked, properly addressed and postage prepaid. If this rider is cancelled during this period, we will refund all cost of insurance charges deducted from the Policy Account Value for this rider and the rider will be treated as if it had never been issued. This provision does not alter the Free Look Period applicable to the Policy.

**Renewability:** This rider is guaranteed renewable. This means that as long as you pay your cost of insurance charges on time we cannot change the terms under this rider except as specifically stated within this rider. We have the right to change the rider cost of insurance rates in accordance with the LTC Rider Cost of insurance provision.



## Definitions

Additional terms not defined in this section, or elsewhere in this rider, are explained in the Policy.

**Accumulated LTC Amount:** This is the total amount of Monthly LTC Benefit payments made under this rider.

**Activities of Daily Living:** This means the basic human functional abilities which relate to the insured's ability to live independently. They are as follows:

- (a) **Bathing** — the ability to wash oneself by sponge bath or in either a tub or shower, including the task of getting into or out of the tub or shower, without Substantial Assistance from another individual.
- (b) **Continence** — the ability to maintain control of bowel or bladder function, or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene, including caring for a catheter or colostomy bag, without Substantial Assistance from another individual.
- (c) **Dressing** — the ability to put on and take off all items of clothing and any necessary braces, fasteners or artificial limbs, without Substantial Assistance from another individual.
- (d) **Eating** — the ability to feed oneself by getting food into the body from a receptacle, such as a plate, cup, or table, or by feeding tube or intravenously, without Substantial Assistance from another individual.
- (e) **Toileting** — the ability to get to and from the toilet, getting on and off the toilet, and performing associated personal hygiene, without Substantial Assistance from another individual.
- (f) **Transferring** — the ability to move into or out of a bed, chair or wheelchair, without Substantial Assistance from another individual.

**Adult Day Care:** State licensed or certified program at an Adult Day Care Center for a specified number of individuals providing social or health-related or both types of services during the day in a community group setting for the purpose of supporting frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home.

**Adult Day Care Center:** A state licensed facility that provides Adult Day Care.

**Assisted Living Care:** Personal custodial monitoring and assistance with Activities of Daily Living provided in a residential setting at an Assisted Living Facility.

**Assisted Living Facility:** A facility that primarily provides ongoing care and related services to inpatients in one location and meets all of the following:

- provides 24-hour-a-day care and services sufficient to support needs resulting from Severe Cognitive Impairment or inability to perform Activities of Daily Living;
- has a trained and ready to respond employee on duty at all times to provide that care;
- provides 3 meals a day and accommodates special dietary needs;
- is licensed or accredited to provide such care, if licensing or accreditation is required by the state in which the care is received;
- has formal arrangements for the services of a Physician or nurse to furnish medical care in the case of emergency; and
- has appropriate methods and procedures for handling and administering drugs and biologics.

**Chronic Illness (or Chronically Ill):** the insured has been certified within the prior 12 months by a Physician that he or she:

- is unable to perform without Substantial Assistance from another person at least 2 Activities of Daily Living for a period of at least 90 days due to loss of functional capacity; or
- requires Substantial Supervision from another individual to protect the insured from threats to health and safety due to Severe Cognitive Impairment.

**Custodial Care:** Personal assistance and care provided as long as the person is confined as an inpatient in any Long Term Care Facility licensed by the state or as long as the person is receiving Home Health Care. Custodial Care includes assistance in the Activities of Daily Living. Persons eligible for Custodial Care are those who are unable to care for themselves but who do not require Skilled Nursing Care or Intermediate Care.

**Elimination Period:** The period of time that a Chronically Ill insured must be receiving Qualified Long Term Care Services by a Health Care Provider before Monthly LTC Benefit payments will begin. Qualified Long Term Care Services must be received for 90 days in order to satisfy the Elimination Period. The Elimination Period begins on the first day the insured receives Qualified Long Term Care Services. Each day Qualified Long Term Care Services are received by the insured will count towards satisfying the Elimination Period and are not required to be continuous. If Qualified Long Term Care Services are received 3 or more days in a given week, we will count all 7 days of that week in satisfying the Elimination Period. While the days where Qualified Long Term Care Services are received need not be continuous, the Elimination Period must be satisfied within 24 months of first receiving Qualified Long Term Care Services. The Elimination Period only needs to be satisfied once.

**Health Care Practitioner:** A Physician, registered professional nurse, social worker or any other individual designated by the U.S. Secretary of the Treasury. A social worker must be licensed or accredited to provide such care if licensing or accreditation is required by the state in which the care is received. A Health Care Practitioner does not include the insured, Owner or any Immediate Family Member.

**Health Care Provider:** Health Care Providers include but are not limited to: Adult Day Care Centers; Assisted Living Facilities; Home Health Care Providers; Hospice Care Facilities; and Long Term Care Facilities. A Provider also includes an employee of a licensed facility which renders services and who is qualified to provide such services. A Home Health Care Provider does not include the Owner, the Insured, any Immediate Family Members including those licensed to provide such services), nor anyone under suspension from Medicare or Medicaid.

**Home Health Care:** Personal assistance and care provided by a Home Health Care Provider in a private home or by a center that provides Adult Day Care. Home Health Care services include medical and nonmedical services, provided to ill, disabled or infirm persons in their residences.

**Home Health Care Provider:** A Home Health Care Provider is a licensed home health care agency that provides medical and non-medical services, to ill, disabled or infirm persons in their homes. Such services include homemaker services, assistance with Activities of Daily Living and respite care services.

**Hospice Care Facility:** A Hospice Care Facility is a licensed hospice facility that provides palliative and supportive medical and other health services to meet the physical, social, spiritual, and special needs of terminally ill patients and their families in a group residential setting.

**Immediate Family Member:** The Owner or insured's spouse (including civil union partner or domestic partner), parents, grandparents as well as siblings, children, stepchildren, grandchildren and their spouses. In addition, Immediate Family Member includes the listed members of the Owner and insured's spouse.

**Intermediate Care:** Medically necessary care provided under the supervision of a Health Care Provider or a Physician in a Long Term Care Facility to the insured who is admitted as a resident patient, or to the insured who is receiving Home Health Care. These services are provided to persons who do not require a degree of care and treatment of Skilled Nursing Care but who, because of their Severe Cognitive Impairment or physical condition, require care and services above the level of Custodial Care. It must be certified by an attending Physician that Intermediate Care in a Long Term Care Facility is medically needed.

**Long Term Care Facility:** A facility that provides Skilled Nursing Care, Intermediate Care, or Custodial Care and:

- is licensed by the appropriate state licensing agency;
- has a registered nurse on duty 24 hours a day;
- has a doctor on duty to supervise the operation of the facility; and
- has a doctor on call for emergency services.

A Long Term Care Facility is not a facility that primarily treats drug addicts or alcoholics, provides domiciliary, residency or retirement care or is owned or operated by an Immediate Family Member. A Hospice Care Facility is considered a Long Term Care Facility for purposes of this rider.

**Medicare:** The Health Insurance Act for the Aged Act, Title XVIII of the Social Security Administration Act of 1965, as Then Constituted or Amended.

**Monthiversary:** The same date of each calendar month as the Policy Date, or the last day of a calendar month, if earlier.

**Owner:** The person or entity that owns the Policy.

**Period of Coverage:** The period under which benefits are paid under this rider. It begins on the date the Elimination Period has ended and Monthly LTC Benefit payments begin. It ends on the earliest of (1) the date the insured no longer qualifies to receive benefits under this rider (2) the date the Accumulated LTC Amount equals the LTC Pool or (3) the date we receive the Owner's request to stop receiving Monthly LTC Benefit payments.

**Physician:** As defined in Section 1861(r)(1) of the Social Security Act, a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the state in which he or she performs such function or action and performs those functions within the scope of his or her license. It does not include the insured, an Owner under this policy or any Immediate Family Member.

**Plan of Care:** A written individualized plan of services prescribed by a licensed Health Care Practitioner developed in consultation with the insured based on a diagnosis that the insured is Chronically Ill. The Plan of Care must specify the type, frequency and providers of the services most suitable to meet the insured's long term care needs. The Plan of Care must be updated as the insured's needs change. We reserve the right at any time to verify that the Plan of Care is appropriate and consistent with generally accepted standards.

**Policy:** the policy to which this rider is attached.

**Qualified Long Term Care Services:** Services that meet the requirements of §7702B(c)(1) of the Internal Revenue Code of 1986, as amended, and includes necessary diagnostic, preventive, therapeutic, curative, treatment, mitigation and rehabilitative services and maintenance or personal care services which are required by a Chronically Ill individual and are provided by a Health Care Practitioner pursuant to a Plan of Care prescribed by a Physician.

**Severe Cognitive Impairment:** loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) measured by clinical evidence and standardized tests that reliably measure impairment in the individual's (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning.

**Skilled Nursing Care:** Medically necessary care provided or supervised by a registered professional nurse or a Physician in a Long Term Care Facility to the insured who is admitted as a resident patient, or to the insured who is receiving Home Health Care. It must be certified by an attending Physician that Skilled Nursing Care in a Long Term Care Facility is medically necessary.

**Substantial Assistance:** The physical hands-on assistance of another person without which the insured is unable to perform the Activity of Daily Living; or the presence of another person within arm's reach that is necessary to prevent, by physical intervention, injury to the insured while he or she is performing the Activity of Daily Living.

**Substantial Supervision:** Continual supervision (which may include cuing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect the insured from threats to his or her health or safety (such as may result from wandering).

#### **Eligibility for Payment of LTC Benefits**

This rider will provide a monthly LTC benefit, when:

- we receive a certification signed by a Physician that the insured meets the definition of Chronically Ill;
- the insured is receiving Qualified Long Term Care Services under a Plan of Care prescribed by a Physician;
- this rider is in force;
- the Elimination Period has been satisfied; and
- the claim request has been approved by Guardian in accordance with the Claim Process Section of this rider.

**Limitations and Exclusions to receiving Monthly LTC Benefits**

The Owner will not be eligible to receive Monthly LTC Benefit payments if the insured's Chronic Illness is due to or directly caused by:

- an attempted suicide or intentionally self-inflicted injuries;
- alcoholism or drug addiction;
- committing or attempting to commit a felony riot or insurrection; or
- war or act of war (whether declared or undeclared).

The Owner will also not be eligible to receive Monthly LTC Benefits under this rider if the Qualified Long Term Services are received outside of the United States unless the initial Plan of Care and all renewal Plan of Care updates are provided by a Physician licensed in the United States.

**Preexisting Condition Limitation Exclusion**

Benefits will not be paid for any claims made within 6 months after the Issue Date of this rider if the claim is due to a preexisting condition. For this purpose, a preexisting condition means a condition for which the insured received medical advice or treatment or was recommended to receive treatment from a Health Care Provider within 6 months prior to the Issue Date of this rider.

**LTC Pool**

The LTC Pool is the portion of the Initial Face Amount that is eligible to be accelerated in accordance with the terms of this rider. The LTC Pool is elected at issue by the Owner and is shown on the Rider Specifications section. The Owner may request a decrease in the LTC Pool subject to the minimum and maximum amounts described on the Rider Specifications section. If the Basic Policy Face Amount is decreased and as a result the then current LTC Pool would exceed the Maximum LTC Pool as described in the Specifications section, the LTC Pool will be reduced so that it equals the Maximum LTC Pool.

**LTC Rider Cost of Insurance Charges**

The Current LTC cost of insurance rate associated with the LTC Pool is shown on the Rider Specifications section. The Current LTC cost of Insurance charge is payable until the earliest of the following dates:

- the date this rider terminates;
- the date the Basic Accumulated LTC Amount equals the LTC Pool; or
- the policy anniversary on which the insured reaches the later of Attained Age 100 or the 30th policy anniversary.

The Current LTC Cost of Insurance rate is guaranteed for the first policy year. Thereafter, it may be changed by the company on a class basis. However, the Current LTC Cost of Insurance rate will never exceed the Maximum LTC Cost of Insurance Rate shown on the Rider Specifications section.

No change in the Current LTC cost of Insurance rate will occur because of a deterioration in the insured's health. The Current LTC Cost of Insurance Rate is re-determined only prospectively. We will not recoup any prior losses by means of a change in the Current LTC Cost of Insurance Rate. Any change will comply with the procedures and standards on file with the insurance department for the jurisdiction where this policy is delivered. We will notify the Owner at least 60 days prior to the implementation of a change.

**Monthly LTC Benefit**

During a Period of Coverage, we will pay a Monthly LTC Benefit to the Owner on each Monthiversary. The amount of the Monthly LTC Benefit is elected by the Owner at the time of the claim. The amount of the Monthly LTC Benefit is subject to the Minimum Monthly LTC Benefit and the Maximum Monthly LTC Benefit shown in the Rider Specifications section.

Monthly LTC Benefit payments will continue until the earlier of the date:

- the current Period of Coverage ends; or
- this rider or the Policy terminates.

The Owner may change the Monthly LTC Benefit at any time subject to the minimum and maximum amounts. A request to change the Monthly LTC Benefit must be received at our Customer Service Office in good order at least 15 days prior to the next Monthly LTC Benefit payment in order for the change to be reflected in that next payment.

If there is a Policy loan, we require that a portion of the Monthly LTC Benefit be used as a loan repayment. The loan repayment will be the lesser of the Policy Debt or 50% of the Monthly LTC Benefit. The portion of the Monthly LTC Benefit not used as a loan repayment will be paid to the Owner.

### **Effect of Accumulated LTC Amount on Policy Values**

The payment of a Monthly LTC Benefit under this rider will have a direct impact on the future values under the Policy. The Accumulated LTC Amount will impact the Policy provisions as described below.

**Death Benefit** — The Policy death benefit is reduced by the Accumulated LTC Amount.

**Net Cash Surrender Value** — The Net Cash Surrender Value under the policy will be reduced by the amount of the Accumulated LTC Amount.

**Loan Value** — the Net Cash Surrender Value after the adjustment described above is used to calculate the loan value.

**Changing the Face Amount** — No face amount increases will be permitted and face amount decreases cannot result in a face amount that is less than the Accumulated LTC Amount divided by 0.9.

**Exchange to Whole Life Provision** — Once there is an Accumulated LTC Amount greater than zero the exchange to whole life provision is terminated.

**Monthly Deductions** — A prorated reduction in certain Monthly Deductions will occur when there is an Accumulated LTC Amount. The monthly LTC rider Cost of Insurance charge will be reduced to zero during a Period of Coverage. If the Accumulated LTC Amount is greater than zero and not within a Period of coverage, the charge will equal  $(a) * (1 - (b/c))$  where:

- (a) is the charge prior to any reduction;
- (b) is the Accumulated LTC Amount; and
- (c) is the LTC Pool.

For the Basic Policy Cost of Insurance charge, Administrative Charges and the Secondary Guarantee Rider Charge shown in the Policy Data section, the amount of the reduction depends on whether within a Period of Coverage.

If within a Period of Coverage, the above charges will equal  $(a) * (1 - (b/c))$  where:

- (a) is the charge prior to any reduction;
- (b) is the LTC Pool divided by 0.9; and
- (c) is the death benefit.

If not within a Period of Coverage but where the Accumulated LTC Amount is greater than zero, the above charge will equal  $(a) * (1 - (b/c))$  where:

- (a) is the charge prior to any reduction;
- (b) is the Accumulated LTC Amount divided by 0.9; and
- (c) is the death benefit.

### **Claim Process**

**Notice of Claim** — Notice of claim must be provided to our Customer Service Office shown in the Policy within 90 days of the receipt of the care or services that are described under this rider or as soon thereafter as reasonably possible. The notice must include at least the following: Owner name, the name of the insured, policy number and the address to which the claim form should be sent. The Owner may give notice or the Owner may have someone do it for you.

**Claim Form** — Within 15 days of our receipt of Notice of Claim, we will send a written notice of receipt of the Notice of Claim and the information needed to file a Proof of Loss including the claim form and instructions on what additional material is needed in order for us to complete a review of the claim. If we do not send the claim form to the Owner within 15 days of our receipt of the Notice of Claim, you may meet the Proof of Loss by sending a written notice to our Customer Service Office within the time limit stated in the Proof of Loss provision. The written statement must identify the nature and extent of your loss.

**Proof of Loss** — Proof of Loss must be submitted within 180 days of the Notice of a Claim and includes but is not limited to:

- a fully completed claim form;
- a certification from a Physician that the insured is Chronically Ill; and
- a copy of the Plan of Care and documentation that the insured is receiving Qualified Long Term Care Services under that Plan of Care.

In order to help us determine the Insured's eligibility for the payment of benefits, we may require that you provide us with various documents, such as, but not limited to:

- copies of your medical records;
- copies of the license for any facility provider providing long term care services for the insured;
- records of the care or services the insured received;
- documentation that during the Elimination Period, the insured received Qualified Long Term Care Services for which the insured incurred a charge.

While paying Accelerated Benefits under this rider, we will periodically require copies of updates to the Insured's Plan of Care, as well as any other necessary updates of the information required in the Eligibility for Payment of LTC Benefits provision. We may verify that the Plan of Care is consistent with generally accepted standards. We may require a reassessment at least once every 12 months while benefits are being paid. We may require a reassessment more often, but not more often than once every 90 days.

**Approving a Claim** — Within 30 business days after we receive Notice of Claim and Proof of Loss, we will either:

- approve the claim, if we have received all of the required information and determine that the claim is payable;
- request additional information necessary to determine if all or any part of the claim is payable; or
- decline the claim and provide specific reason(s) for the denial.

If additional information is requested, within 30 business days of receiving all additional information we will either approve the claim or deny the claim as described above.

**Appealing a Claim** — We will provide notice to you if we do not approve a claim for benefits under this rider. We will provide a written explanation of the reasons for our disapproval. If you do not agree with the claim decision, you or your representative has the right to appeal. The appeal must be in writing to us and include all information that pertains to the claim. We will review your request and notify you or your representative of our decision within 30 business days of receiving the request.

All aspects of this appeal process will be conducted in accordance with the applicable laws and regulations of the state in which this rider was delivered or issued for delivery.

**Payment of Claims** — Monthly LTC Benefit payments will begin on the Monthiversary following our approval of the claim and receipt of the amount of the Monthly LTC Benefit requested and after the Elimination Period requirements have been met. You may request to stop receiving or change the amount of the Monthly LTC Benefit payments at any time. We will need written request of such election 15 days prior to the next Monthly LTC Benefit payment in order for such request to be applied to that Monthly LTC Benefit.

**Additional Notice of Lapse Pending** — The Owner has the right to elect at least one other individual to receive notice that the rider is terminating due to the nonpayment of premiums. You may change your designation at any time but not more than once per year. We will notify you at least once every 2 years of the option to elect to name another individual to receive this notice. We will not terminate this rider unless notice is provided to you and any designated person elected by you that the rider will be terminating due to the nonpayment of premiums at least 30 days prior to the rider terminating. Notice will be sent to the addresses that we have on record for the Owner and any designated person. Notice to any designated person will occur 30 days after a premium is due and unpaid. Receipt of such notification will be deemed to have occurred 5 days after the date of the mailing of such notice.

**Rider Termination**

This rider will terminate on the earliest of the following dates:

- the date of the insured's death;
- the date you exercise an Accelerated Benefit Rider for Terminal Illness that may be also attached to the Policy;
- the date the Accumulated LTC Amount equals the LTC Pool;
- upon receipt of the Owner's proper written request for cancellation at our Customer Service Office; or
- the date the Policy is surrendered for its Net Cash Surrender Value.

If the rider terminates for the above reasons, all benefits under this rider will end and no future benefits will be paid under this rider except as provided in the Reinstatement, Impact of Policy Lapse, Unintended Lapse and/or Extension of Benefits provisions of this rider.

**Impact of Policy Lapse**

If, the Policy lapses when there is an Accumulated LTC Amount greater than zero, the Basic Policy Face Amount will be reduced to:

- the LTC Pool divided by 0.9 if the policy lapses during a Period of Coverage; or
- the Accumulated LTC Amount divided by 0.9 if not within a Period of Coverage.

In either case, all other riders will terminate. This rider has no impact on a Policy lapse if such lapse took place when the Accumulated LTC Amount was zero.

**Reinstatement**

This rider may also be eligible for reinstatement at the time the Policy is reinstated. The reinstatement of this rider will not take effect until all the requirements for the Policy to be reinstated have been met. The requirements for reinstatement of this rider are:

- written application for reinstatement received at our Customer Service Office;
- evidence of insurability satisfactory to us;
- payment of any uncollected cost of insurance charges associated with this rider, with 6% interest compounded yearly.

If the Policy lapsed while there was an Accumulated LTC Amount greater than zero and the Basic Policy Face Amount still in effect, the Reinstatement will increase the Basic Policy Face Amount to the Basic Policy Face Amount in effect immediately preceding the face amount reduction due to the policy lapse.

Provided we receive written request within 5 months of the termination of this rider, we will reinstate this rider without evidence of insurability if this rider lapsed due to the nonpayment of cost of insurance charges and we receive proof that:

- the insured is unable to perform without Substantial Assistance from another person at least 2 Activities of Daily Living due to loss of functional capacity; or requires Substantial Supervision from another individual to protect the insured from threats to health and safety due to Severe Cognitive Impairment at the time the rider lapsed;
- the Policy is also reinstated; and
- all overdue charges are paid.

No LTC Monthly Benefits will be paid for the time between the date the rider terminated and the date it is reinstated.

**Rider Value Option (Nonforfeiture Option)**

This is an optional benefit that is available at an additional cost that must be elected at the time of application in order for it to apply to this rider. The Rider Specifications section indicates whether this option was elected or not. If elected, and on or after the third Policy anniversary, the Policy terminates, is surrendered or lapses, the benefits under this rider will be continued on a reduced basis. If the rider continues on a reduced basis, the LTC Pool will be reset to equal the greater of 2% of the LTC Pool immediately preceding this adjustment or the sum of the total LTC Cost of Insurance charges paid under this rider. However, while a death benefit is provided under the Policy, in no event will the LTC Pool be greater than the amount of the death benefit provided under the Policy. The Maximum Monthly LTC Benefit amount while this rider is continued on a reduced paid-up basis is calculated using the LTC Pool that was in effect on the day immediately preceding the date the rider was continued on a reduced paid-up basis. Upon the death of the insured, the LTC Pool will be set to zero and the rider benefits will terminate.

**Extension of Benefits**

If during a Period of Coverage this rider ends prior to the Accumulated LTC Amount equaling the Total LTC Pool, Monthly LTC Benefits will continue if:

- the insured was confined to a Long Term Care Facility or an Assisted Living Facility while the rider was in effect;
- the insured remained confined to a Long Term Care Facility without interruption after this rider ended; and
- Proof of Loss is submitted.

The Monthly LTC Benefit will continue until the earliest of the following dates:

- the insured is discharged from the facility;
- the Accumulated LTC Amount equals the Basic LTC Pool; or
- the Policy is surrendered.

**Conformity with Internal Revenue Code**

In order to comply with any changes in the Internal Revenue Code we may offer changes to this rider that will continue to have this rider be considered a Qualified Long Term Care insurance contract. You have the right to accept or reject such change. However, if you reject such change, this rider may no longer be considered tax-qualified by the Internal Revenue Code. The Owner should consult a competent tax or legal advisor to determine before deciding whether or not to accept such change.

**Incontestability**

Within 6 months of the Issue Date for the rider or the rider reinstatement date, we may contest this rider or deny an otherwise valid claim under the rider if the application contained a misrepresentation which was material to the issuance of the rider.

After 6 months but less than 2 years, we may contest this rider or deny an otherwise valid claim under the rider if the application contained both a misrepresentation which was material to the issuance of the rider and is related to the condition for which the claim is being made.

After 2 years, the rider may only be contested if we can show that the relevant facts related to the insured's health were knowingly and intentionally misrepresented.

If the rider is rescinded, we do not have the right to recover any claim payments previously provided to the Owner.

**The Contract**

This rider is:

- issued in consideration of the application;
- attached to the policy and is part of the entire contract as defined in the Policy; and
- subject to all of the applicable provisions of the Policy.

**Issue Date**

This rider is effective as of its Issue Date. The Issue Date of this rider is the Issue Date of the Policy unless this rider is added to an in force Policy. In this case, the Issue Date is shown in a separate endorsement, which is issued with the rider.

**The Guardian Life Insurance Company of America**



**Secretary**

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# THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

## ACCELERATED DEATH BENEFIT FOR TERMINAL ILLNESS RIDER

Subject to the terms of this rider, upon receipt of the owner's written request, we will advance a portion of the death benefit to the owner when the Insured has been certified as Terminally Ill as defined in this rider.

### DISCLOSURES

- **THIS RIDER PROVIDES FOR THE ACCELERATED PAYMENT OF LIFE INSURANCE DEATH PROCEEDS. THIS IS NOT MEANT TO CAUSE THE OWNER TO INVOLUNTARILY ACCESS DEATH PROCEEDS ULTIMATELY INTENDED TO BE PAYABLE TO THE DESIGNATED BENEFICIARY. AN ACCELERATED BENEFIT PAYMENT WILL BE MADE AVAILABLE TO THE OWNER ON A VOLUNTARY BASIS ONLY. THEREFORE, THE OWNER IS NOT ELIGIBLE TO RECEIVE AN ACCELERATED BENEFIT PAYMENT IF HE/SHE IS:**
  - **REQUIRED BY LAW TO USE THIS PAYMENT TO MEET THE CLAIMS OF ANY CREDITOR(S), WHETHER IN BANKRUPTCY OR NOT; OR**
  - **REQUIRED BY A GOVERNMENT AGENCY TO USE THIS PAYMENT IN ORDER TO APPLY FOR, OBTAIN, OR KEEP MEDICAID BENEFITS OR ANY OTHER GOVERNMENT BENEFIT OR ENTITLEMENT.**
- **ALTHOUGH THE PAYMENTS MADE UNDER THIS RIDER ARE INTENDED TO QUALIFY FOR FAVORABLE TAX TREATMENT UNDER SECTION 101(g) OF THE INTERNAL REVENUE CODE, PAYMENTS MADE UNDER THIS RIDER MAY BE TAXABLE. THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA AND ITS AFFILIATES, AGENTS, OR EMPLOYEES DO NOT PROVIDE TAX OR LEGAL ADVICE. THE OWNER SHOULD CONSULT A COMPETENT TAX ADVISOR TO DETERMINE THE CURRENT TAX CONSEQUENCES BEFORE REQUESTING ANY ACCELERATED PROCEEDS.**
- **THE CASH SURRENDER VALUE, LOAN VALUE, AND DEATH PROCEEDS PAYABLE WILL BE REDUCED BY ANY LIEN OUTSTANDING DUE TO THE PAYMENT OF AN ACCELERATED BENEFIT UNDER THIS RIDER.**
- **IN ADDITION, ANY POLICY DIVIDEND PAYABLE WILL BE AFFECTED BY ANY OUTSTANDING LIEN AND LIEN CARRYING CHARGES DURING THE POLICY YEAR.**

### Definitions

Additional terms not defined in this section, or elsewhere in this rider, are explained in the base policy.

**Accelerated Benefit:** This means the portion of the death benefit that, upon receipt of the owner's written request, we will pay in advance when the Insured has been certified as Terminally Ill.

**Insured:** The person covered under the basic policy. This term does not include other persons covered under other riders which are part of the policy.

**Net Amount at Risk:** The Net Amount at Risk is used to determine the Total Lien Limit for the rider. The Net Amount at Risk on a given date equals the death benefit of the policy on that date less the Policy Account Value as of that date. This calculation uses the values after any adjustment for accelerated payments made under an Accelerated Death Benefit for Long Term Care Services rider that may be attached to the policy.

**Physician:** As defined in Section 1861(r)(1) of the Social Security Act, a Doctor of Medicine or osteopathy legally authorized to practice medicine and surgery by the state in which he or she performs such function or action and performs those functions within the scope of his or her license. It does not include the Insured, an owner under the base policy or any immediate family member of either the Insured or an owner.

**Terminally Ill or Terminal Illness:** This means that the Insured has been certified by a Physician as having an illness or physical condition which can reasonably be expected to result in death within 12 months.

**Eligibility for the Payment of Benefits**

For payments to be made under this rider, the owner must provide proof acceptable to us that the Insured is Terminally Ill as defined in this rider. This proof includes, but is not limited to, certification by a Physician who:

- has examined the Insured and is qualified to provide such certification; and
- is neither the owner, the Insured, or a family member of the Owner or Insured.

We reserve the right to have the Insured examined by a Physician of our choosing and at our own expense when a claim is filed. In the case of conflicting Physician opinions, eligibility for benefits will be determined by a third Physician who is mutually acceptable to the Owner and Guardian. We also reserve the right to require proof which we consider acceptable of the owner's mental competence on the date the accelerated proceeds are requested.

Payment of an Accelerated Benefit is due immediately upon receipt of the due written proof of eligibility acceptable to us.

**Limitations or Conditions on Eligibility of Benefits**

We will pay the Accelerated Benefit to the owner, subject to the following conditions:

- We must receive at its Customer Service Office the owner's written request for an Accelerated Benefit. Any such request must be in a form acceptable to us. Such request must include a completed claim form and any Physician's certification regarding the Insured's medical condition as described in the Claim Form provision.
- Accelerated Benefit payments are limited by the Total Lien Limit.
- The owner may take a maximum of 4 liens per policy year.
- The policy must be in force on the date the Accelerated Benefit is requested.
- Any assignee and any irrevocable beneficiary must consent in writing, in a form acceptable to us, to the payment of the Accelerated Benefit on the date such benefit is requested. Such written consent must be received by us at our Customer Service Office.
- While a lien is outstanding, no changes in the plan of insurance, changes in Death Benefit Option, face amount decreases, or face amount increases (except in cases where a guaranteed insurability rider is in effect and exercised) will be permitted under the basic policy. However, withdrawals will still be permitted.
- Death Benefit Option 1 must be in effect. If Death Benefit Option 2 or 3 is in effect, it will be changed to Death Benefit Option 1 on the date we pay the accelerated death benefit.
- If the Insured dies before a requested Accelerated Benefit has been paid, the request will be cancelled and we will pay the death proceeds, as defined in the policy to the beneficiary.
- The Accelerated Benefit will be paid to the owner or owner's estate while the insured is living, unless the Benefit has been otherwise assigned or designated in writing by the owner.

**Liens**

When an Accelerated Benefit is paid under this rider, a lien is created against the policy. This lien is equal to the amount of the Accelerated Benefit we pay because of your request (except as stated in the "Administrative Fee" and "Required Loan Repayment" provisions), plus lien carrying charges to the next policy anniversary. The new lien is added to any previous existing liens on the policy. Any outstanding lien will continue against the policy until the lien is repaid, or until the policy ends. Establishing a lien against the policy may require the repayment of all or part of an outstanding policy loan (See the "Required Loan Repayment" provision).

The lien does not reduce the Policy Account Value. However, the portion of the Policy Account Value supporting the outstanding lien is not available for surrender, withdrawal, and cannot be used to pay the policy's monthly deduction charges. This portion of the Policy Account Value also earns interest at an effective annual rate of 3.5%, which may be different than the interest rate credited on the Policy Account Value that is not supporting the lien. The amount of the outstanding lien and accrued lien carrying charges will be deducted from any death or maturity proceeds ultimately payable, and also reduces the policy's net cash surrender value.

## **Lien Carrying Charges**

Any lien created under the policy will bear carrying charges at the rate described in this provision. Carrying charges are payable on the date the lien was created and on each subsequent policy anniversary. Any unpaid lien carrying charges on a policy anniversary are added to the outstanding lien and will bear carrying charges at the applicable rate. If unpaid lien interest causes the outstanding lien to exceed the policy's face amount, the policy and rider will end at that time.

The rate we use to determine the carrying charges varies depending on the amount of the outstanding lien. If the outstanding lien is less than or equal to the cash value of the policy plus the cash value of any Additions, discounted to the date the lien carrying charges are determined, the lien carrying charge rate is equal to the lesser of:

- (a) the fixed policy loan interest rate then in effect as described in the policy; or
- (b) an adjustable loan interest rate as allowed by law.

For any amount of an outstanding lien which exceeds the Policy Account Value, the lien carrying charge applicable to that excess amount will be equal to (b) above.

The adjustable loan interest rate is based on the Moody's Corporate Bond Yield Average published by Moody's Investors Service, Inc., or any successor thereto, as of the calendar month ending two months before the first day of the month in which the policy anniversary falls. We will set this adjustable rate once each policy year, at the beginning of the policy year and it will not change until the following policy anniversary.

If the index used to calculate the adjustable loan interest rate is discontinued, we will obtain an appropriate substitute, and file this change for approval with the state insurance department.

## **Effects on the Policy When a Lien is Outstanding**

While a lien is in effect under the policy, it will impact the policy's benefits and provisions as follows:

- The policy's face amount will not be reduced by the lien. However, the death proceeds payable if the Insured dies while the policy is in force will be reduced by the amount of any outstanding lien.
- The Policy Account Value will not be reduced by the lien. However, the net cash surrender value available upon surrender of the policy will be reduced by the amount of any outstanding lien.
- The loan value of the policy will be reduced by the amount of any outstanding lien. If there are both liens and policy loans outstanding under the policy, the policy will lapse if unpaid loan interest causes the lien plus the loan to exceed the cash surrender value of the policy.
- To keep the policy in force, the owner must continue to pay any premiums necessary to avoid policy lapse as described in the policy or any applicable riders attached to the policy.
- If the policy lapses while a lien is outstanding and is later reinstated, the lien must either be repaid or reinstated. If the lien is reinstated, we will both credit interest on the portion of the Policy Account Value securing the lien and will accrue carrying charges as described in this rider, just as if the policy had not lapsed. If the rider is not reinstated, the lien must be repaid.
- You may continue to take partial withdrawals from the policy's Net Cash Surrender Value as described in the policy. In determining the Net Cash Surrender value, the amount of any outstanding lien and accrued lien carrying charges will be deducted. If a partial withdrawal is taken, we will reduce the Total Lifetime Lien Limit by the amount of any withdrawals.
- There is no change to the policy's cost of insurance or other charges.
- Any dividend payable under the policy will be affected by any outstanding lien and lien carrying charges during the policy year. However, no dividends are expected to be paid under the basic policy.

## **Total Lien Limit**

We determine the policy's Total Lien Limit the first time you request an Accelerated Death Benefit payment and after we have received a completed claim form along with any proof we require of the insured's qualifying condition. The Total Lien Limit is the policy's Policy Account Value as of the date to which premiums have been paid plus 80% of the Net Amount at Risk. Once the Total Lien Limit is determined, it does not change unless a partial withdrawal is taken under the policy. In that case, we will reduce the Total Lien Limit by the amount of the withdrawal.

**Amount of Accelerated Benefit Payment**

The Accelerated Benefit actually paid to the owner will generally equal the amount which was requested. However, the amount of the Accelerated Benefit can be limited by the following:

- (a) If the benefit amount requested plus any previous outstanding lien, plus lien carrying charges on the entire amount to the next policy anniversary, exceeds the Total Lien Limit, then we will reduce the amount payable so that this Limit is not violated.
- (b) In certain circumstances, the benefit amount requested may be reduced by a required loan repayment, as described in the "Required Loan Repayment" provision.
- (c) A fee is deducted from the first Accelerated Benefit paid under this policy as described in the "Administrative Fee" provision.

**Administrative Fee**

A one-time Administrative Fee of \$250 will be charged the first time that an Accelerated Benefit is paid under this rider. This charge is associated with our administrative costs for processing an Accelerated Benefit payment to the owner. To the extent possible, this charge is deducted from the Accelerated Benefit payable, and it is included in the lien that is created as a result of that payment.

**Required Loan Repayment**

An Accelerated Benefit may be requested, and therefore a lien established, while a policy loan is outstanding. However, a loan repayment may be required as described in this provision. Such a loan repayment would be deducted from the requested Accelerated Benefit prior to the payment of such benefit. A loan repayment is required if (a) plus (b) exceeds (c), where:

- (a) is the requested Accelerated Benefit amount plus any previous outstanding lien, plus lien carrying charges on the entire amount to the next policy anniversary;
- (b) is the amount of any outstanding policy loan as of the date the Accelerated Death Benefit Payment is calculated; and
- (c) is the Policy Account Value as of the date the Accelerated Death Benefit Payment is calculated.

The amount of the loan repayment is the least of the following:

- (1) (a) plus (b) minus (c), as defined above,
- (2) the amount necessary to repay the loan in its entirety, or
- (3) the requested Accelerated Benefit.

We will use unidentified payments made under the policy to repay any outstanding loans and allocate any remainder as a policy premium, rather than to repay the lien.

**Lien Repayment**

Any outstanding lien may be repaid at any time before the Insured's death.

**Minimum Accelerated Benefit Amount**

The minimum Accelerated Benefit amount is the lesser of \$500 or the maximum amount available as determined by the Total Lien Limit.

**Notice of Claim**

A written request for an Accelerated Benefit payment may be submitted to us if the Insured is diagnosed as being Terminally Ill as defined in this rider. The request for acceleration must identify the policy number and the Insured and be sent to our Customer Service Office.

**Claim Form**

We will send a claim form to you when a request for an Accelerated Benefit payment is made. If we do not mail the claim form within 15 days after a request for an Accelerated Benefit payment is made, you will be considered to have complied

with the requirements of this rider as to proof of the Insured's medical condition upon providing a Physician's certification which is acceptable to us.

At the time of the request for a payment of an Accelerated Benefit payment, you will be given a statement demonstrating the effect of that acceleration on the Policy Account Value, death benefit, and policy loans (including any existing lien).

### **The Contract**

This rider is:

- Issued in consideration of the application;
- Attached to and made part of the base policy; and
- Subject to all of the applicable provisions of the base policy.

### **Incontestability**

During the first 2 years this rider is in effect, we may contest a request for an accelerated benefit payment under this rider, based on material misrepresentations made in applying for this rider.

This rider will be incontestable after it has been in force during the Insured's lifetime for 2 years from its issue date.

### **Nonparticipation**

This rider is not eligible for dividends and will not share in our divisible surplus.

### **Issue Date**

This rider is effective as of its Issue Date. The Issue Date of this rider is the Issue Date of this policy unless this rider is added to an in force policy. In this case, the Issue Date is shown in a separate endorsement, which is issued with the rider.

### **Termination**

This rider terminates on the earliest of:

- The date the base policy terminates;
- The date of the Insured's death;
- Upon receipt of proper written request for cancellation at our Customer Service Office. This rider must be sent to the Customer Service Office for cancellation. However, if there is a lien outstanding, the rider cannot be cancelled unless the lien is repaid; or
- The date the loan plus total lien, including lien carrying charges, exceeds the policy face amount. This calculation is completed after any adjustments to these values are made in accordance with any payments made under an Accelerated Death Benefit for Long Term Care Services rider that may be attached to the policy. If this happens, this policy and any other riders also terminate.

Termination shall not prejudice the payment of benefits for any qualifying event that occurred while the rider was in force and for which we received notice of claim while the policy was in force.

This rider may be reinstated only if the basic policy is reinstated. In addition, this rider will only be reinstated if the Insured is classified as a standard risk or better at the time of reinstatement.

**The Guardian Life Insurance Company of America**



**Secretary**

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The Guardian Life Insurance Company of America  
Customer Service Office  
[P.O. Box 26100, Lehigh Valley, PA 18002-6100]<sup>1</sup>

**ACCELERATED DEATH BENEFIT FOR LONG TERM CARE SERVICES RIDER**  
**OUTLINE OF COVERAGE**  
**Rider Form Number 18-LTCR UL**

**Caution:** The issuance of this long term care insurance rider is based upon your responses to the questions on your application. A copy of your application for the policy and the rider will be attached to the policy. If your answers are incorrect or untrue, the company has the right to deny benefits or rescind your policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact the company at the address stated above.

**NOTICE TO BUYER:** This policy may not cover all of the costs associated with long-term care incurred by the Owner during the period of coverage. The Owner is advised to review carefully all policy limitations.

1. The Accelerated Death Benefit for Long Term Care Services rider is attached to an individual life insurance policy.
2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of the policy. You should compare this outline of coverage to outlines of coverage for other policies and riders available to you. This is not an insurance contract, but only a summary of coverage. Only the rider and individual life policy to which it is attached contains governing contractual provisions. This means that the policy and rider set forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** The rider is intended to be a federally tax-qualified long-term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.
4. **TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED.**
  - (a) **Renewability:** THE RIDER IS GUARANTEED RENEWABLE. This means that you have the right, subject to the terms and conditions of the rider, to continue the rider as long as you pay your premiums on time. The Guardian cannot change any of the terms of your rider on its own, except that, in the future, IT MAY INCREASE THE COST OF INSURANCE CHARGE WE DEDUCT FROM THE POLICY ACCOUNT VALUE.
  - (b) **Monthly Deductions:** A reduction in a portion of the Monthly Deductions for this rider and the policy will be made while monthly benefits under the rider are being received. You may still need to make premium payments in order to keep the policy in force while you are receiving monthly benefit payments under the rider.

**Rider Termination** — The rider will terminate on the earliest of the following dates:

- the date of the insured's death;
- the date you exercise an Accelerated Death Benefit Rider for Terminal Illness that may be also attached to the policy;
- the date the accumulated monthly benefit payments equals the Total LTC Pool;
- the date the policy is surrendered for its Net Cash Surrender Value and the nonforfeiture option is not in effect; or
- upon receipt of the Owner's proper written request for cancellation at our Customer Service Office.

**5. TERMS UNDER WHICH THE COMPANY MAY CHANGE LTC RIDER COST OF INSURANCE CHARGES.**

The Current LTC Rider Cost of Insurance Rate is guaranteed for the first year. Thereafter, it may be changed by the company on a class basis. However, the Current LTC Rider Cost of Insurance Rate will never exceed the Maximum LTC Rider Cost of Insurance Rate.

See Section 13 for more information on the premiums associated with the rider.

**6. TERMS UNDER WHICH THE RIDER MAY BE RETURNED AND PREMIUM REFUNDED.**

(a) You have the right to examine the rider and return it for cancellation to our Customer Service Office or to any agent or agency within 30 days after receiving it. A written cancellation notice must be delivered or mailed to cancel the rider. Any notice given by mail is effective on being postmarked, properly addressed and postage prepaid. If the rider is cancelled during this period, the company will refund all cost of insurance charges deducted from the Policy Account Value for this rider and the rider will be treated as if it had never been issued. The policy has its own separate free look period.

(b) The rider does not contain a provision providing for a refund or partial refund of the rider cost of insurance charges upon the death of the insured or upon surrender of the rider or policy.

**7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE.** If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the company. Neither The Guardian nor its agents represent Medicare, the federal government or any state government.

**8. LONG-TERM CARE COVERAGE.** Policies and riders of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home.

**9. BENEFITS PROVIDED BY THE RIDER.** If the insured meets the eligibility requirements of the rider, we will provide monthly benefit payments to the Owner subject to the rider's limitations and exclusions.

Payments under the rider are accelerations of the death benefit provided under the policy to which the rider is attached. As a result, payment of the monthly benefit under the rider will reduce the death benefit available under the policy and will also reduce the net cash surrender value.

The maximum monthly benefit is the lesser of:

(a) 2% of the Basic LTC Pool; or

(b) 60 times the per diem amount declared by the Internal Revenue Code for a given calendar year.

Covered services under the rider are those received by the insured when he or she is Chronically Ill and receiving Qualified Long Term Care Services, as described in Section 8, by a Health Care Provider under a Plan of Care for:

- **Adult Day Care** — which is a state licensed or certified program at an Adult Day Care Center for a specified number of individuals providing social or health-related or both types of services during the day in a community group setting for the purpose of supporting frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home.
- **Assisted Living Care** — which is personal custodial monitoring and assistance with Activities of Daily Living provided in a residential setting at an Assisted Living Facility.
- **Skilled Nursing Care, Intermediate Care or Custodial Care in a Long Term Care Facility** — which is personal assistance and care, medically necessary care provided by a registered professional nurse or under the supervision of a Health Care Provider, as long as the insured is confined as an inpatient in any Long Term Care Facility licensed by the state.
- **Home Health Care** — which is personal assistance and care provided by a Home Health Care Provider in a private home or by a center that provides Adult Day Care. Home Health Care services include medical and nonmedical services, provided to ill, disabled or infirm persons in their residences.

**Elimination Period** — The rider has a 90 day elimination period. This is the period of time that the insured must be receiving Qualified Long Term Care Services before monthly benefit payments under the rider will begin. The Elimination Period begins on the first day the insured receives Qualified Long Term Care Services. Each day Qualified Long Term Care Services are received by the insured will count towards satisfying the Elimination Period and are not required to be continuous. If Qualified Long Term Care Services are received 3 or more days in a given week, we will count all 7 days of that week in satisfying the Elimination Period. While the days where Qualified Long Term Care Services are received need not be continuous, the Elimination Period must be satisfied within 24 months of first receiving Qualified Long Term Care Services. The Elimination Period only needs to be satisfied once.

### **Eligibility for Payment of Benefits**

The rider will provide a monthly LTC benefit, when:

- we receive a certification signed by a Physician that the insured meets the definition of Chronically Ill;
- the insured is receiving Qualified Long Term Care Services (as described in Section 8) under a Plan of Care prescribed by a Physician;
- the rider is in force;
- the Elimination Period has been satisfied; and
- the claim request has been approved by the Guardian in accordance with the claims provisions of the rider.

A person is determined to be Chronically Ill under the rider if he or she has been certified within the prior 12 months by a Physician that he or she:

- is unable to perform without Substantial Assistance from another person at least 2 Activities of Daily Living for a period of at least 90 days due to loss of functional capacity; or
- requires Substantial Supervision from another individual to protect the insured from threats to health and safety due to Severe Cognitive Impairment.

Activities of daily living are bathing, continence, dressing, eating, toileting and transferring.

Severe Cognitive Impairment is the loss or deterioration in intellectual capacity that is (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, and (b) measured by clinical evidence and standardized tests that reliably measure impairment in the individual's (i) short-term or long-term memory, (ii) orientation as to people, places, or time, and (iii) deductive or abstract reasoning.

### **10. LIMITATIONS, EXCEPTIONS AND EXCLUSIONS.** In addition to the benefit maximums stated above, there are certain exclusions and limitations to receiving benefits under the rider. This section includes those exclusions.

Pre-existing conditions. Benefits will not be paid for any claims made within 6 months after the issue date of the rider if the claim is due to a pre-existing condition. For this purpose, a preexisting condition means a condition for which the insured received medical advice or treatment or was recommended to receive treatment from a Health Care Provider within 6 months prior to the issue date of the rider.

### **Exclusions and Limitations**

The rider does not cover care or treatment:

- From a Facility that primarily treats drug addicts or alcoholics, provides domiciliary, residency or retirement care or is owned or operated by an Immediate Family Member.
- From a Home Health Care Provider that is the Owner, insured, any Immediate Family Member even if that individual is licensed to provide such services, or anyone under suspension from Medicare or Medicaid.
- When the Qualified Long Term Services are received outside of the United States unless the initial Physician's Plan of Care and all renewal Plan of Care updates are provided by a Physician licensed in the United States.

An Immediate Family Member includes the Owner or insured's spouse (including civil union partner or domestic partner), parents, grandparents as well as siblings, children, stepchildren, grandchildren and their spouses. In addition, an Immediate Family Member includes the listed members of the Owner and insured's spouse.



In addition, the Owner will not be eligible to receive monthly benefit payments if the insured's Chronic Illness are due to or is directly caused by:

- an attempted suicide or intentionally self-inflicted injuries;
- alcoholism or drug addiction;
- mental or nervous disorders excluding Alzheimer's Disease and similar forms of irreversible dementia;
- committing or attempting to commit a felony riot or insurrection; or
- war or act of war (whether declared or undeclared).

**THE RIDER MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.**

**11. RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of long-term care services will likely increase over time, you should consider whether and how the benefits of this plan may be adjusted. THE RIDER DOES NOT INCLUDE INFLATION PROTECTION COVERAGE.

The LTC Pool will not increase over time.

You also have the option of electing a nonforfeiture benefit under the rider. If elected, the cost of insurance charge for the rider will be higher. If you elect the nonforfeiture option, subject to the terms and conditions of the rider you will have a reduced benefit under the rider if you decide to surrender your policy.

If you exercise any rights under your policy that impact the death benefit or Policy Account Value, like reducing your face amount or taking a policy loan, you may be reducing the amount that can be accelerated under the rider. If you take a policy loan, we will use a portion of any benefit payment under the rider to repay a portion of that policy loan. This will reduce the actual benefit payment amount that you will receive.

**12. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS.** Subject to the conditions listed in Sections 9 and 10 above the rider provides coverage for insureds clinically diagnosed as having Alzheimer's disease or related degenerative and dementing illnesses. In order to receive benefits under the rider for the above conditions, we may require an evaluation to show that the condition includes a loss or deterioration in intellectual capacity that is measured by clinical evidence and standardized tests that reliably measure impairment in the insured's short-term or long-term memory, orientation as to people, places, or time, and deductive or abstract reasoning.

**13. PREMIUM.** The LTC Rider COI Rate will be shown in the Rider Specifications section of your rider. Both the current premium that you will be paying for the rider and the guaranteed maximum premium that could be charged for the rider will be shown in the Rider Specifications section. The rate used to determine the dollar amount of the premiums for the rider vary by the insured's issue age, sex, underwriting class and rider benefit amount. See Appendix A for these rates.

**14. ADDITIONAL FEATURES.** To determine whether we issue the rider to you, we will depend on certain medical information about the insured that you would provide as part of the application process. This is generally known as medical underwriting.

**15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM AGENCY IF YOU HAVE GENERAL QUESTIONS REGARDING LONG TERM CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE RIDER.**

**Appendix A**

**Current LTC Rider Rates - With Non-Forfeiture Benefit  
For LTC Rider on CAUL  
Premium Per \$1,000 of Basic LTC Pool**

Issue Age	Male		Female	
	Non-Smoker	Smoker	Non-Smoker	Smoker
18	0.03948	0.05064	0.05322	0.06609
19	0.04120	0.05236	0.05579	0.06952
20	0.04292	0.05407	0.05837	0.07210
21	0.04463	0.05579	0.06094	0.07467
22	0.04635	0.05751	0.06352	0.07811
23	0.04807	0.06008	0.06523	0.08068
24	0.04978	0.06180	0.06781	0.08412
25	0.05150	0.06352	0.07038	0.08669
26	0.05322	0.06609	0.07382	0.09098
27	0.05579	0.06867	0.07639	0.09527
28	0.05751	0.07210	0.07982	0.09957
29	0.06008	0.07467	0.08240	0.10386
30	0.06180	0.07725	0.08583	0.10815
31	0.06523	0.08154	0.09012	0.11416
32	0.06781	0.08497	0.09527	0.11931
33	0.07124	0.08927	0.09957	0.12532
34	0.07382	0.09270	0.10472	0.13047
35	0.07725	0.09699	0.10901	0.13647
36	0.08154	0.10214	0.11416	0.14334
37	0.08497	0.10729	0.12017	0.15021
38	0.08927	0.11158	0.12532	0.15793
39	0.09270	0.11673	0.13132	0.16480
40	0.09699	0.12188	0.13647	0.17167
41	0.10128	0.12703	0.14420	0.18111
42	0.10557	0.13304	0.15192	0.19055
43	0.10987	0.13819	0.15965	0.20085
44	0.11416	0.14420	0.16737	0.21029
45	0.11845	0.14935	0.17510	0.21973
46	0.12532	0.15793	0.18797	0.23518
47	0.13218	0.16652	0.19999	0.25063
48	0.13991	0.17510	0.21287	0.26608
49	0.14677	0.18368	0.22488	0.28153
50	0.15364	0.19227	0.23776	0.29698
51	0.16222	0.20342	0.25836	0.32273
52	0.17081	0.21458	0.27896	0.34762
53	0.18025	0.22488	0.29870	0.37337
54	0.18883	0.23604	0.31930	0.39827
55	0.19742	0.24720	0.33990	0.42402
56	0.21372	0.26780	0.37509	0.46779
57	0.23003	0.28840	0.40942	0.51156
58	0.24634	0.30814	0.44461	0.55534
59	0.26265	0.32874	0.47895	0.59911
60	0.27896	0.34934	0.51414	0.64289
61	0.31329	0.39226	0.58710	0.73473
62	0.34762	0.43517	0.66091	0.82571
63	0.38282	0.47895	0.73387	0.91755
64	0.41715	0.52186	0.80769	1.00854
65	0.45148	0.56478	0.88065	1.10038
66	0.56306	0.70383	1.08579	1.35702
67	0.67379	0.84288	1.29093	1.61366
68	0.78537	0.98107	1.49521	1.86944
69	0.89610	1.12012	1.70035	2.12608
70	1.00768	1.25917	1.90549	2.38272
71	1.15875	1.44800	2.19132	2.73979
72	1.33299	1.66516	2.52006	3.15093
73	1.53298	1.91493	2.89772	3.62387
74	1.76301	2.20247	3.33204	4.16719
75	2.02738	2.53293	3.83159	4.79206

**Guaranteed LTC Rider Rates - With Non-Forfeiture Benefit  
For LTC Rider on CAUL  
Premium Per \$1,000 of Basic LTC Pool**

Issue Age	Male		Female	
	Non-Smoker	Smoker	Non-Smoker	Smoker
18	0.11844	0.15192	0.15966	0.19827
19	0.12360	0.15708	0.16737	0.20856
20	0.12876	0.16221	0.17511	0.21630
21	0.13389	0.16737	0.18282	0.22401
22	0.13905	0.17253	0.19056	0.23433
23	0.14421	0.18024	0.19569	0.24204
24	0.14934	0.18540	0.20343	0.25236
25	0.15450	0.19056	0.21114	0.26007
26	0.15966	0.19827	0.22146	0.27294
27	0.16737	0.20601	0.22917	0.28581
28	0.17253	0.21630	0.23946	0.29871
29	0.18024	0.22401	0.24720	0.31158
30	0.18540	0.23175	0.25749	0.32445
31	0.19569	0.24462	0.27036	0.34248
32	0.20343	0.25491	0.28581	0.35793
33	0.21372	0.26781	0.29871	0.37596
34	0.22146	0.27810	0.31416	0.39141
35	0.23175	0.29097	0.32703	0.40941
36	0.24462	0.30642	0.34248	0.43002
37	0.25491	0.32187	0.36051	0.45063
38	0.26781	0.33474	0.37596	0.47379
39	0.27810	0.35019	0.39396	0.49440
40	0.29097	0.36564	0.40941	0.51501
41	0.30384	0.38109	0.43260	0.54333
42	0.31671	0.39912	0.45576	0.57165
43	0.32961	0.41457	0.47895	0.60255
44	0.34248	0.43260	0.50211	0.63087
45	0.35535	0.44805	0.52530	0.65919
46	0.37596	0.47379	0.56391	0.70554
47	0.39654	0.49956	0.59997	0.75189
48	0.41973	0.52530	0.63861	0.79824
49	0.44031	0.55104	0.67464	0.84459
50	0.46092	0.57681	0.71328	0.89094
51	0.48666	0.61026	0.77508	0.96819
52	0.51243	0.64374	0.83688	1.04286
53	0.54075	0.67464	0.89610	1.12011
54	0.56649	0.70812	0.95790	1.19481
55	0.59226	0.74160	1.01970	1.27206
56	0.64116	0.80340	1.12527	1.40337
57	0.69009	0.86520	1.22826	1.53468
58	0.73902	0.92442	1.33383	1.66602
59	0.78795	0.98622	1.43685	1.79733
60	0.83688	1.04802	1.54242	1.92867
61	0.93987	1.17678	1.76130	2.20419
62	1.04286	1.30551	1.98273	2.47713
63	1.14846	1.43685	2.20161	2.75265
64	1.25145	1.56558	2.42307	3.02562
65	1.35444	1.69434	2.64195	3.30114
66	1.68918	2.11149	3.25737	4.07106
67	2.02137	2.52864	3.87279	4.84098
68	2.35611	2.94321	4.48563	5.60832
69	2.68830	3.36036	5.10105	6.37824
70	3.02304	3.77751	5.71647	7.14816
71	3.47625	4.34400	6.57396	8.21937
72	3.99897	4.99548	7.56018	9.45279
73	4.59894	5.74479	8.69316	10.87161
74	5.28903	6.60741	9.99612	12.50157
75	6.08214	7.59879	11.49477	14.37618

**Current LTC Rider Rates - Without Non-Forfeiture Benefit  
For LTC Rider on CAUL**

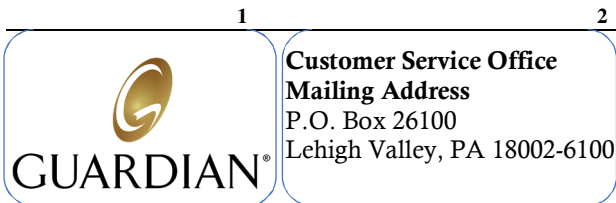
Premium Per \$1,000 of Basic LTC Pool

Issue Age	Male		Female	
	Non-Smoker	Smoker	Non-Smoker	Smoker
18	0.02489	0.03090	0.03262	0.04120
19	0.02575	0.03262	0.03433	0.04292
20	0.02661	0.03347	0.03605	0.04463
21	0.02747	0.03433	0.03777	0.04635
22	0.02832	0.03605	0.03948	0.04807
23	0.03004	0.03691	0.04034	0.05064
24	0.03090	0.03862	0.04206	0.05236
25	0.03176	0.03948	0.04377	0.05407
26	0.03347	0.04120	0.04549	0.05665
27	0.03433	0.04292	0.04721	0.05922
28	0.03605	0.04463	0.04978	0.06180
29	0.03691	0.04635	0.05150	0.06437
30	0.03862	0.04807	0.05322	0.06695
31	0.04034	0.05064	0.05579	0.07038
32	0.04206	0.05322	0.05922	0.07382
33	0.04463	0.05493	0.06180	0.07811
34	0.04635	0.05751	0.06523	0.08154
35	0.04807	0.06008	0.06781	0.08497
36	0.05064	0.06352	0.07124	0.08927
37	0.05322	0.06609	0.07467	0.09356
38	0.05493	0.06952	0.07811	0.09785
39	0.05751	0.07210	0.08154	0.10214
40	0.06008	0.07553	0.08497	0.10643
41	0.06266	0.07897	0.09012	0.11244
42	0.06523	0.08240	0.09442	0.11845
43	0.06867	0.08583	0.09957	0.12446
44	0.07124	0.08927	0.10386	0.13047
45	0.07382	0.09270	0.10901	0.13647
46	0.07811	0.09785	0.11673	0.14592
47	0.08240	0.10300	0.12446	0.15536
48	0.08669	0.10901	0.13218	0.16566
49	0.09098	0.11416	0.13991	0.17510
50	0.09527	0.11931	0.14763	0.18454
51	0.10042	0.12617	0.16051	0.19999
52	0.10643	0.13304	0.17338	0.21630
53	0.11158	0.13991	0.18540	0.23175
54	0.11759	0.14677	0.19827	0.24806
55	0.12274	0.15364	0.21115	0.26351
56	0.13304	0.16652	0.23261	0.29097
57	0.14334	0.17939	0.25407	0.31758
58	0.15278	0.19141	0.27638	0.34505
59	0.16308	0.20428	0.29784	0.37166
60	0.17338	0.21716	0.31930	0.39912
61	0.19484	0.24377	0.36479	0.45577
62	0.21630	0.27037	0.41028	0.51242
63	0.23776	0.29784	0.45577	0.56993
64	0.25922	0.32445	0.50126	0.62658
65	0.28067	0.35106	0.54676	0.68323
66	0.34934	0.43689	0.67379	0.84288
67	0.41887	0.52358	0.80168	1.00167
68	0.48753	0.60941	0.92871	1.16132
69	0.55706	0.69611	1.05660	1.32011
70	0.62572	0.78194	1.18364	1.47976
71	0.71928	0.89953	1.36131	1.70207
72	0.82743	1.03429	1.56559	1.95699
73	0.95189	1.18965	1.80078	2.25054
74	1.09437	1.36818	2.07115	2.58786
75	1.25831	1.57332	2.38187	2.97583

**Guaranteed LTC Rider Rates - Without Non-Forfeiture Benefit  
For LTC Rider on CAUL**

Premium Per \$1,000 of Basic LTC Pool

Issue Age	Male		Female	
	Non-Smoker	Smoker	Non-Smoker	Smoker
18	0.07467	0.09270	0.09786	0.12360
19	0.07725	0.09786	0.10299	0.12876
20	0.07983	0.10041	0.10815	0.13389
21	0.08241	0.10299	0.11331	0.13905
22	0.08496	0.10815	0.11844	0.14421
23	0.09012	0.11073	0.12102	0.15192
24	0.09270	0.11586	0.12618	0.15708
25	0.09528	0.11844	0.13131	0.16221
26	0.10041	0.12360	0.13647	0.16995
27	0.10299	0.12876	0.14163	0.17766
28	0.10815	0.13389	0.14934	0.18540
29	0.11073	0.13905	0.15450	0.19311
30	0.11586	0.14421	0.15966	0.20085
31	0.12102	0.15192	0.16737	0.21114
32	0.12618	0.15966	0.17766	0.22146
33	0.13389	0.16479	0.18540	0.23433
34	0.13905	0.17253	0.19569	0.24462
35	0.14421	0.18024	0.20343	0.25491
36	0.15192	0.19056	0.21372	0.26781
37	0.15966	0.19827	0.22401	0.28068
38	0.16479	0.20856	0.23433	0.29355
39	0.17253	0.21630	0.24462	0.30642
40	0.18024	0.22659	0.25491	0.31929
41	0.18798	0.23691	0.27036	0.33732
42	0.19569	0.24720	0.28326	0.35535
43	0.20601	0.25749	0.29871	0.37338
44	0.21372	0.26781	0.31158	0.39141
45	0.22146	0.27810	0.32703	0.40941
46	0.23433	0.29355	0.35019	0.43776
47	0.24720	0.30900	0.37338	0.46608
48	0.26007	0.32703	0.39654	0.49698
49	0.27294	0.34248	0.41973	0.52530
50	0.28581	0.35793	0.44289	0.55362
51	0.30126	0.37851	0.48153	0.59997
52	0.31929	0.39912	0.52014	0.64890
53	0.33474	0.41973	0.55620	0.69525
54	0.35277	0.44031	0.59481	0.74418
55	0.36822	0.46092	0.63345	0.79053
56	0.39912	0.49956	0.69783	0.87291
57	0.43002	0.53817	0.76221	0.95274
58	0.45834	0.57423	0.82914	1.03515
59	0.48924	0.61284	0.89352	1.11498
60	0.52014	0.65148	0.95790	1.19736
61	0.58452	0.73131	1.09437	1.36731
62	0.64890	0.81111	1.23084	1.53726
63	0.71328	0.89352	1.36731	1.70979
64	0.77766	0.97335	1.50378	1.87974
65	0.84201	1.05318	1.64028	2.04969
66	1.04802	1.31067	2.02137	2.52864
67	1.25661	1.57074	2.40504	3.00501
68	1.46259	1.82823	2.78613	3.48396
69	1.67118	2.08833	3.16980	3.96033
70	1.87716	2.34582	3.55092	4.43928
71	2.15784	2.69859	4.08393	5.10621
72	2.48229	3.10287	4.69677	5.87097
73	2.85567	3.56895	5.40234	6.75162
74	3.28311	4.10454	6.21345	7.76358
75	3.77493	4.71996	7.14561	8.92749



## Acceleration of Death Benefit for Long-Term Care Services (LTC) Rider

The insurer identified below will be herein referred to as the "Company."  
THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

**DISCLOSURE: Payment of a Monthly LTC Benefit may be taxable.** The owner should consult a competent tax advisor to determine the current tax consequences before requesting any accelerated payments.

Please print. The Owner and/or Proposed Insured must initial any changes.

### SECTION A: Proposed Insured/Owner Information

1. First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_
2. Date of Birth (mm/dd/yyyy) \_\_\_\_\_
3. Gender: ☐ Male ☐ Female
4. Social Security Number \_\_\_\_\_
5. Are you a U.S. Citizen? ☐ Yes ☐ No If "No", are you a permanent resident (green card holder)? ☐ Yes ☐ No
6. Name of Owner (First, MI, Last) or name of trust, business entity, or charity. (Complete only if the proposed insured is NOT to be the Owner).

### SECTION B: LTC Rider Information

By applying for the LTC rider, an Accelerated Benefit Rider for Terminal Illness will also be part of the policy if the LTC rider becomes part of the policy being applied for.

1. LTC Pool – This is the amount of the policy face amount that can be accelerated under the LTC Rider. The maximum LTC Pool is the lesser of (a) 90% of the basic policy face amount being applied for or (b) \$2,500,000.

☐ I elect the maximum LTC Pool as described above.

☐ I elect a LTC Pool of: \$ \_\_\_\_\_

2. Rider Value Option (Nonforfeiture Benefit) ☐ Yes ☐ No

*Note: By electing the Optional Nonforfeiture Benefit, the cost of insurance for the LTC Rider will be higher than if the option is not elected.*

### SECTION C: Protection from Unintended Lapse

1. The Owner/Proposed Insured understands that the owner has the right to designate at least one person other than himself/herself to receive notice of lapse or termination of this LTC rider for non-payment of premium. Such notice will be provided to the designated person until 30 days after the premium is due and unpaid.

☐ I elect NOT to designate a person to receive such notice.

☐ I elect to designate the following person(s) to receive notice prior to cancellation of the policy for nonpayment of premium

#### Person 1

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_

Street Address (Primary Residence) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

#### Person 2

First Name \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_

Street Address (Primary Residence) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**SECTION D: Replacement Information**

1. Is the Proposed Insured covered by Medicaid? ☐ Yes ☐ No
2. Are there any long-term care policies, certificates or riders in force (including health care service contracts and/or health maintenance organization contracts) during the last 12 months on the Proposed Insured's life? *If "Yes", please provide details in chart at the bottom of this section.* ☐ Yes ☐ No
3. Are there other life insurance policies in force that provide similar long-term care coverage on the Proposed Insured's life? *If "Yes", please provide details in chart at the bottom of this section.* ☐ Yes ☐ No
4. Do you intend to replace any long-term care, medical or health coverage on the Proposed Insured's life with the coverage being applied for in this supplement? ☐ Yes ☐ No
5. Has the proposed insured ever been denied coverage for a long-term care rider or policy? ☐ Yes ☐ No

Name of Company	Individual (I) or Group (G)	Year Issued	Total Amount	Currently in Force?	Being Replaced?
	<input type="checkbox"/> I <input type="checkbox"/> G			<input type="checkbox"/> Yes <input type="checkbox"/> No*	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> I <input type="checkbox"/> G			<input type="checkbox"/> Yes <input type="checkbox"/> No*	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> I <input type="checkbox"/> G			<input type="checkbox"/> Yes <input type="checkbox"/> No*	<input type="checkbox"/> Yes <input type="checkbox"/> No

\*For any "No" answers, please provide the date of lapse in the Remarks section.

**SECTION E: Medical Information**

*These questions apply to the Proposed Insured. If "Yes" to any questions, please provide details in the Remarks section.*

1. Does the proposed insured currently need or receive help with any of the following: eating, bathing, dressing, toileting, transferring from bed to chair? ☐ Yes ☐ No
2. Does the proposed insured currently use or has the proposed insured used in the past 12 months, a wheelchair, walker, multi-pronged cane, hospital bed, oxygen, dialysis machine, motorized cart or stair lift? ☐ Yes ☐ No
3. Does the proposed insured currently need help, assistance or supervision in performing any of the following everyday activities: taking medication, doing housework, laundry, shopping or meal preparation? ☐ Yes ☐ No
4. Has the proposed insured ever been diagnosed as having or treated by a member of the medical profession for:
  - a. Alzheimer's disease or dementia, Mild Cognitive Impairment, or organic brain syndrome? ☐ Yes ☐ No
  - b. Multiple Sclerosis, Muscular Dystrophy, Parkinson's Disease or ALS (Lou Gehrig's Disease)? ☐ Yes ☐ No
5. Within the last 5 years, has the proposed insured been treated, examined, or received consultation or counseling by a member of the medical profession for:
  - a. Amnesia, confusion, aphasia, memory loss or forgetfulness? ☐ Yes ☐ No
  - b. Dizziness, fainting, weakness or chronic fatigue? ☐ Yes ☐ No
  - c. Tremors or numbness? ☐ Yes ☐ No
  - d. Any fractures or falls? ☐ Yes ☐ No
  - e. A condition which causes limited motion? ☐ Yes ☐ No
  - f. Incontinence problems? ☐ Yes ☐ No
  - g. Ataxia, balance, or gait impairment? ☐ Yes ☐ No
6. During the last 12 months, has the proposed insured received any type of disability benefit, Worker's Compensation or Social Security Disability? ☐ Yes ☐ No
7. Has the proposed insured's parent or sibling ever been diagnosed as having or been treated by a member of the medical profession for Alzheimer's, Huntington's disease or schizophrenia? ☐ Yes ☐ No
8. Within the past 24 months has the proposed insured received home health care services, physical or other rehabilitative therapy? ☐ Yes ☐ No
9. Does the proposed insured currently reside in, been advised to enter, or plan to enter a nursing home, assisted care living facility, custodial facility, or is the proposed insured attending an adult day care center? ☐ Yes ☐ No

**SECTION E: Medical Information (continued)**

10. List all medication prescribed and/or taken by the Proposed Insured in the last 24 months THAT ARE NOT CURRENTLY BEING TAKEN and provide the appropriate details as requested below. *If additional space is needed, provide details in the Remarks Section.*

Medication	Dose and Frequency	Physician who Prescribed	Reason for Taking	Date Started	Date Stopped

**SECTION F: Remarks**

Question #	Details

**SECTION G: Amendments or Corrections (For Home Office or Customer Service Office Use Only)**

**SECTION H: Representations, Acknowledgment and Signatures of the Proposed Insured and Owner**

**NOTICE:** If the policy is to be owned by someone other than the Proposed Insured, I (Proposed Insured) provide consent to the proposed owner to own the policy on which this rider is attached and understand that any LTC benefits paid under the rider being applied for with this application supplement will be payable to the owner and not to me (Proposed Insured).

**CAUTION:** If answers on this Application Supplement are not correctly recorded and complete and true to the best of the knowledge and belief of those who made them, the Company may have the right to deny benefits or rescind the LTC rider. The best time to clear up any questions is now, before a claim arises. If for any reason you feel the statements made in these applications are incorrect, contact us at the Customer Service Office shown at the top of this form.

**Acknowledgement**

I agree that I am applying for the LTC Rider to be included on the life insurance policy that I am applying for and that this application supplement will form part of the basis for coverage under the policy and will be attached to and become a part of any policy issued. I further agree that I have read this application and all of the statements that are part of this supplement are correctly recorded and are complete and true to the best of the knowledge and belief of those persons who made them. Any misrepresentation or omission, if found to be material, may adversely affect acceptance of the risk, claims payment or may cause the Company to seek rescission of any policy that is issued based on this application. I also understand that the agent cannot determine eligibility or alter the terms of the proposed rider. The company may require as part of this applications process an attending physician statement, medical records, an underwriting assessment, a medical exam, a Department of Motor Vehicle report or other questionnaire, test or a prescription drug or medication report.

I further acknowledge that I have received the Outline of Coverage for the rider being applied for. I have also received the Things You Should Know Before You Purchase Long Term Insurance form and the Potential Rate Increase Disclosure.

**WARNING:** It is a crime to provide false or misleading information to an insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

Signed at \_\_\_\_\_  
City and State \_\_\_\_\_ Month/Day/Year \_\_\_\_\_

\_\_\_\_\_  
Signature of Proposed Insured  
(or parent or guardian if insured is under 18)

\_\_\_\_\_  
Signature of Applicant/Owner  
(if other than Proposed Insured)

\_\_\_\_\_  
Signature of Witness  
(for applications taken by mail – should not be the beneficiary)

\_\_\_\_\_  
Signature of Additional Owner

State: District of Columbia

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other

Product Name: LTC with CAUL 2018

Project Name/Number: LTC with CAUL 2018/18-LTCR

Filing Company:

The Guardian Life Insurance Company of America

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Agent's Certification
<b>Comments:</b>	We are also enclosing a copy of our Agent's Certification that will be used with this application for your information. We are not requesting approval of this form, since it is not part of the application, but it is required to be completed each time the LTC rider is applied for. We are enclosing the form primarily to demonstrate compliance with the requirement that the agent be asked the appropriate questions regarding replacement of LTC insurance.
<b>Attachment(s):</b>	LTC Agent Certification.pdf
<b>Item Status:</b>	APPROVED
<b>Status Date:</b>	05/07/2018
<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	Actuarial Memorandum
<b>Attachment(s):</b>	18-LTCR UL AM.pdf 18-TIR UL AM.pdf
<b>Item Status:</b>	APPROVED
<b>Status Date:</b>	05/07/2018
<b>Satisfied - Item:</b>	DC readability
<b>Comments:</b>	readability
<b>Attachment(s):</b>	DC Readability Certification.pdf
<b>Item Status:</b>	APPROVED
<b>Status Date:</b>	05/07/2018
<b>Satisfied - Item:</b>	Statements of Variabilty
<b>Comments:</b>	Statements of Variabilty
<b>Attachment(s):</b>	Variable Material for 18-LTCR OC UL.pdf Variable Material for 18-TIR UL.pdf Variable Material for 18-LTCR UL.pdf Variable Material for LTC APP SUPP UL.pdf
<b>Item Status:</b>	APPROVED
<b>Status Date:</b>	05/07/2018
<b>Satisfied - Item:</b>	DC appendix
<b>Comments:</b>	
<b>Attachment(s):</b>	D.C. Appendix.pdf
<b>Item Status:</b>	APPROVED
<b>Status Date:</b>	05/07/2018



<b>SERFF Tracking #:</b>	GARD-131468112	<b>State Tracking #:</b>	<b>Company Tracking #:</b>	18-LTCR
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	The Guardian Life Insurance Company of America	
<b>TOI/Sub-TOI:</b>	LTC03I Individual Long Term Care/LTC03I.003 Other			
<b>Product Name:</b>	LTC with CAUL 2018			
<b>Project Name/Number:</b>	LTC with CAUL 2018/18-LTCR			

## LTC RIDER AGENT'S CERTIFICATION

(Please Print)

This Agent's Certification is to be used with the application Supplement of the Accelerated Benefit for Long Term Care rider form on the life of \_\_\_\_\_ (Proposed Insured).

1. Do you have knowledge or reason to believe that replacement of an existing long-term care policy or rider within the last 12 months may be involved by reason of this transaction? ☐ Yes ☐ No
  - a. If yes, which company? \_\_\_\_\_
  - b. If that policy/rider lapsed, indicate date of lapse? \_\_\_\_\_
2. Do you have any knowledge or reason to believe that the proposed insured or owner is covered by Medicaid? ☐ Yes ☐ No
3. List any health or long-term care insurance policies that you have sold the proposed insured/owner that are currently in force:

Name of Company	Type (e.g. individual or group)	Year Issued	Total Amount	Being Replaced?	
				Yes	No
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

4. List any health or long-term care insurance policies that you have sold the proposed insured/owner in the past 5 years that are no longer in force:

Name of Company	Type (e.g. individual or group)	Year Issued	Total Amount	Lapse Date

The answers to all questions on this application are full, complete and true to the best of my knowledge and belief. The writing agent or broker is duly appointed and licensed in the state in which this application was signed and for the product(s) proposed.

Signed at: \_\_\_\_\_ on \_\_\_\_\_  
City and State mm/dd/yyyy

\_\_\_\_\_  
Type or print Agent's/Dealer's name

\_\_\_\_\_  
Signature of Soliciting Agent

\_\_\_\_\_  
Agent Writing Code

\_\_\_\_\_  
Signature of General Agent

## **The Guardian Life Insurance Company of America**

### **A. Actuarial Memorandum for Accelerated Death Benefit for Long Term Care Services Rider - Form 18-LTCR UL**

#### **I. Overview**

This rider allows the owner to receive accelerated death benefit payments when the insured is Chronically Ill and receiving Qualified Long-Term Care Services by a Health Care Provider under a Physician's Plan of Care after an elimination period of 90 days. The rider will be made available on 18 - CAUL.

#### **II. Long Term Care Benefit**

The LTC Pool is the cumulative amount of Monthly LTC Benefit Payments that can be received under this rider. The LTC Pool is the portion of the policy face amount that is eligible to be accelerated and is selected at issue. The maximum LTC Pool that can be selected is the lesser of (a) 90% of the policy face amount and (b) \$90,000 but cannot be more than \$2,500,000.

The Maximum Monthly LTC Benefit is the maximum payment the owner can receive in a given month. It is equal to the lesser of 2% of the LTC Pool and 200% of the per diem limitation declared by the IRS for that year. There are no inflation benefits provided under this rider. Since this rider provides for an indemnity benefit, payments are not limited by actual expenses incurred (as it would be in a reimbursement model).

The Accumulated LTC Amount is equal to the cumulative payments made from the LTC Pool (with no interest).

If there is an outstanding policy loan and a benefit payment is made under this rider, we require that a portion of the payment be applied as a loan repayment.

Minimum Loan Repayment = MIN (loan payoff amount, 50% of the Monthly LTC benefit)

#### **III. LTC Rider COI Charges**

There are monthly charges for this rider deducted from the policy account value until:

- The policy anniversary on which the insured reaches the later of Attained Age 100 or the 30<sup>th</sup> policy anniversary
- The date the rider is terminated
- The date the Accumulated LTC Amount equals the LTC Pool

The charges are expressed as a rate per \$1,000 of LTC Pool and vary by issue age, sex, smoker status, and the election of the rider non-forfeiture option (see section V below for details).

At issue the client can elect a rider non-forfeiture benefit. Beginning on the third policy anniversary, the nonforfeiture benefit is a paid-up LTC Pool equal to the greater of 2% of the LTC Pool and the sum of past LTC charges. The benefit is a shortened benefit period.

The charges for the LTC Pool have current and guaranteed rates payable for the same period of time.

The initial schedule of rider charges is sufficient to cover anticipated costs under moderately adverse experience and is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated. The policy design and coverage provided have been reviewed and taken into consideration. The underwriting and claims adjudication processes have also been reviewed and taken into consideration.

#### **IV. Surrender Charges and Cash Values**

There are no surrender charges or cash values associated with this rider. The surrender charge for a policy with the rider is based solely on the basic policy coverage, and the resulting cash values are determined for the policy as a whole.

#### **V. Rider Value Option - Non- Forfeiture Option**

If after the 3<sup>rd</sup> anniversary a policyowner terminates the rider, surrenders the base policy, or lapses the base policy with no value, LTC benefits may still be available through a paid-up LTC Pool provided the rider non-forfeiture option was elected. The paid-up LTC Pool replaces the LTC Pool on the policy immediately before the option exercise. The Maximum Monthly LTC Benefit remains the lesser of 2% of the LTC Pool immediately before the rider non-forfeiture option was exercised and 200% of the per diem limitation declared by the IRS in the year the benefits are paid. Any Accumulated LTC Amount will continue to be in place, so if the paid-up LTC Pool is less than or equal to the Accumulated LTC Amount, no further LTC benefits will be payable.

Example: Policy has an LTC Pool of \$400,000, an annualized LTC rider COI charge of \$230, and the Rider non-forfeiture option was elected at issue. At the end of policy year 20, the policy owner chooses to surrender the base policy for its cash surrender value. The paid-up LTC Pool will be the greater of (a) 2% of the LTC Pool (\$8,000), and (b) the sum of past rider charges ( $20 * \$230 = \$4,600$ ).

#### **VI. Effect of Benefit Payments on the Underlying Policy**

The Accumulated LTC Amount will reduce the Policy values as described below.

**Death Benefit** - The death benefit is reduced by the Accumulated LTC Amount upon the death of the insured.

Net Death Benefit = Death Benefit less policy loans - Accumulated LTC Amount

Since the LTC payments reduce the death benefit dollar for dollar and the Accumulated LTC Amount can never be more than the original life insurance benefit, the rider is exempt from the rate standards as outlined in bullet point (1) of the Scope provision of the rate standard.

Example: Let's assume a policy with face amount of \$1,000,000. The maximum LTC Pool is selected at issue, which is equal to \$900,000 (90% of \$1,000,000). There is a claim and we pay out LTC benefits. The Accumulated LTC Amount totals \$180,000 over the course of the 10 months. This will result in death benefit reduction of \$180,000. If the insured remained on claim until the Accumulated LTC Amount equaled the LTC Pool, they would have received \$900,000 of LTC benefits. At that point, the death benefit would be \$100,000 (\$1,000,000 less \$900,000).

**Net Cash Value** – The net cash surrender value under the Policy will be reduced by the Accumulated LTC Amount on a dollar for dollar basis

**Loan Value** – When determining the Policy Loan Value, the net cash value after the reduction described above is used.

**Policy Account Value** – The policy account value is not impacted by the Accumulated LTC Amount.

**Monthly Deductions** – Monthly deductions are prorated based on the LTC and basic policy Charges Adjustment Ratios below. These ratios vary based on whether the policy is in a Period of Coverage - the period under which benefits are paid under this rider.

LTC Adjustment Ratios:

In Period of Coverage: LTC Adjustment Ratio = 0

Not in Period of Coverage: LTC Adjustment Ratio =  $1 - \text{Accumulated LTC Amount} / \text{LTC Pool}$

The monthly LTC rider COI charges will equal:

Monthly LTC rider COI charge = LTC rider COI Charge rate \* Current LTC Pool \* LTC Adjustment Ratio

Base Charges (Base policy COI charges, Per Policy charge, Per 1,000 charges and Secondary Guarantee Rider charges) Adjustment Ratio:

In Period of Coverage: Charges Adjustment Ratio =  $[1 - (\text{LTC Pool} / .9) / \text{Death Benefit}]$

Not in Period of Coverage: Charges Adjustment Ratio =  $[1 - ((\text{Accumulated LTC Amount} / .9) / \text{Death Benefit})]$

The monthly Basic Policy COI charges, Per Policy charge, Per 1,000 charges and Secondary Guarantee Rider charges will be calculated as the product of a) and b):

- a) Basic policy COI charges, Per Policy charge, Per 1,000 charges and Secondary Guarantee Rider charges as calculated if there was no LTC rider present on the policy
- b) The corresponding Charges Adjustment Ratio depending on whether or not the policy is in a Period of Coverage.

**VII. Risk Class**

The available risk classes for this rider are Preferred Plus NT, Preferred NT, Non-Smoker, and Standard (smoker)

**VIII. Issue Age Range**

The available issue ages are 18-75.

**IX. Marketing Method**

This rider will be marketed through our traditional agency systems and brokers through face-to-face sales. The market is generally middle to upper-middle income prospects.

**X. Morbidity (incidence and termination)**

The claim incidence and termination rates were based on the 2011 Milliman Long Term Care Guidelines with adjustments made for specific features of the rider such as the 90-day elimination

period, the fact that it is an acceleration of death benefits rider vs. a stand-alone LTC product, indemnity vs. reimbursement, and our level of underwriting.

**XI. Mortality (active and disabled)**

The disabled life mortality rates are based on experience from carriers on similar products, industry experience, Social Security data, and total termination rates based on Milliman's 2011 Long Term Care Guidelines.

The active life mortality is determined such that the combined mortality rates of active and disabled lives are equal to the assumed mortality rates for the base policy the rider is attached to. The assumed mortality rates are based on company experience.

**XII. Persistency**

Lapse rates are based on company experience for the underlying base policy and are shown in Appendix A. For ages 55+, we assume half lapse rates. The rates are set to 0 at the later of 30<sup>th</sup> policy anniversary or attained age 100. The rates are linearly interpolated between the ultimate lapse rate at the later of 20 years or age 88.

Lapse rates are used for active lives only. For disabled lives we assume no lapses.

**XIII. Expenses**

Non-compensation expenses are as follows:

Acquisition: 17.14% of premium

Maintenance: 5.03% of premium

An additional expense of \$50 per policy per year, increasing with 3% inflation, is used for policies that are on active LTC claim.

The pricing assumption for compensation rates are the same as the base policy. See the table in Appendix B for the rates.

**XIV. Average Premium**

The expected average premium for this rider is \$3,039.

**XV. Sales Distribution**

The sales distribution is based on company experience skewed towards older ages.

Male: 71% Female: 29%

Issue Age 45: 18% Issue Age 55: 43% Issue Age 65: 33% Issue Age 75: 6%

Preferred Plus NT: 38% Preferred NT: 24% Non-Smoker: 37% Standard (smoker): 1%

**XVI. Underwriting**

On top of the underwriting we perform for the underlying life insurance policy, there will be a supplemental LTC application which will include additional questions. We will underwrite according to our current underwriting guidelines.

## **XVII. Example**

Face Amount = \$1,000,000

LTC Pool = \$900,000

Monthly LTC Rider COI Charge = \$66

Net Cash Surrender Value immediately before acceleration = \$225,500

Policy Account Value immediately before acceleration = \$225,500

Outstanding Loan immediately before acceleration = \$100,000

Death Benefit immediately before acceleration = Face Amount – Loan = \$900,000

The maximum monthly LTC benefit is taken as an accelerated death benefit.

Basic policy monthly deductions (COI, Per 1,000 and Per Policy charges) on the monthiversary immediately after the acceleration = \$427

Maximum Monthly Benefit = 2% of Basic LTC Pool = 2% of \$900,000 = \$18,000

Accumulated LTC Amount = \$18,000

Minimum Loan Repayment =  $\$18,000 \times .5 = \$9,000$

Outstanding Loan immediately after acceleration =  $\$100,000 - \$9,000 = \$91,000$

Net Death Benefit immediately after acceleration = Face Amount – Accumulated LTC Amount – Loan =  $\$1,000,000 - \$18,000 - \$91,000 = \$891,000$

Net Cash Surrender Value immediately after acceleration =  $\$225,500 - \$18,000 = \$207,500$

Policy Account Value immediately after acceleration = \$225,500

If the insured is on claim on the upcoming monthiversary,

Monthly LTC rider COI Charge =  $\$66 \times 0 = \$0$

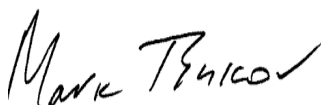
Basic Policy Monthly Deductions Due =  $\$427 \times [1 - ((\$900,000 / 9) / \$1,000,000)] = \$0$

If the insured is not on claim on the upcoming monthiversary,

Monthly LTC rider COI Charge =  $\$66 \times [1 - (\$18,000 / \$900,000)] = \$66 \times .98 = \$64.68$

Basic Policy Monthly Deductions Due =  $\$427 \times [1 - ((\$18,000 / 9) / \$1,000,000)] = \$427 \times .98 = \$418.46$

The minimum monthly payment is \$500. The basis for the calculation is that this is a fixed dollar amount defined in the contract. If the insured dies after receiving 20 monthly payments of \$500, the Accumulated LTC Amount would be \$10,000. Assuming a death benefit of \$1,000,000 with no outstanding loan, the lump sum payable would be  $\$1,000,000 - \$10,000 = \$990,000$ .



March 12, 2018

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Mark Tynkov, FSA, MAAA

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Date

Associate Actuary

**B. Reserve Methodology for Accelerated Death Benefit for Long Term Care Services Rider - Form 18-LTCR CAUL**

**I. Active Life Reserves**

Present values are based on the following assumptions:

- The incidence rates for reserves are 110% of the pricing incidence rates. The incidence rates are comprised of two parts: the base rates and the underwriting selection factors. The base incidence rates vary by attained age and sex. The underwriting selection factors vary by issue age, sex, and duration.
- The termination rates for reserves are 90% of the pricing termination rates. Termination rates include both mortality and recovery, and lower termination rates result in higher claim costs. The termination rates vary by sex, age at LTC claim, and LTC claim duration.
- The valuation interest rate is 3.5%. Active life mortality is equal to 2017 Commissioner's Standard Ordinary Ultimate Mortality Table, Male-Female, ANB, Smoker-Distinct. This is the same mortality table we use for the basic policy reserves.

Active life reserve at time t:

$${}_tV_x = \frac{(\sum_{s=0}^{100-x-t} l_{x+t+s} \times {}_sCC_{x+t} \times v^{s+0.5}) - (\sum_{s=0}^{100-x-t} l_{x+t+s} \times {}_sP_{x+t} \times v^s)}{l_{x+t}}$$

, where

$$v = \frac{1}{1+i}$$

$i = .035$ , the statutory valuation interest rate

$l_{x+t}$  = Number inforce at age  $x+t$

${}_sCC_x$  = Claim costs at time t for issue age x, equal to projected death benefits plus claim benefits, less projected death benefits assuming no long-term care rider is attached to the base policy.

${}_sP_x$  = Cost of insurance charge for the long-term care rider



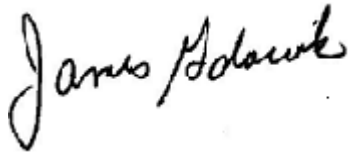
## II. Disabled Life Reserves

For those in period of coverage, a disabled life reserve will be held equal to the present value of the monthly LTC payments, payable until the assumed claim termination date.

Present values are based on the following assumptions:

- The termination rates for reserves are 90% of the pricing termination rates. Termination rates include both mortality and recovery, and lower termination rates result in higher claim costs. The termination rates vary by sex, age at LTC claim, and LTC claim duration.
- The valuation interest rate is 3.5%.

The assumptions used for both the active life and disabled reserves contain reasonable margins for adverse experience.



March 12, 2018

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James Gdowik, FSA, MAAA

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Date

Director, Associate Actuary

### Appendix A – Lapse Rates

<u>Policy</u> <u>Yr.</u>	<u>Age 25</u>	<u>Age 35</u>	<u>Age 45</u>	<u>Age 55</u>	<u>Age 65</u>
1	0.1187	0.0955	0.084	0.0375	0.0375
2	0.1135	0.0917	0.0805	0.03625	0.03625
3	0.1086	0.0873	0.0772	0.035	0.035
4	0.1034	0.0835	0.0737	0.03375	0.03375
5	0.0985	0.0793	0.0704	0.0325	0.0325
6	0.0933	0.0755	0.0669	0.03125	0.03125
7	0.0883	0.0713	0.0636	0.03	0.03
8	0.0832	0.0675	0.0603	0.02875	0.02875
9	0.0781	0.0633	0.057	0.0275	0.0275
10	0.0732	0.0597	0.0535	0.02625	0.02625
11	0.0726	0.059	0.0535	0.025	0.025
12	0.0725	0.0568	0.053	0.025	0.025
13	0.0724	0.0546	0.0525	0.025	0.025
14	0.0716	0.0543	0.052	0.025	0.025
15	0.0701	0.0541	0.0515	0.025	0.025
16	0.0686	0.0539	0.051	0.025	0.025
17	0.0671	0.0537	0.0505	0.025	0.025
18	0.0656	0.0535	0.05	0.025	0.025
19	0.0634	0.0545	0.05	0.025	0.025
20	0.0612	0.054	0.05	0.025	0.025
21	0.059	0.0535	0.05	0.025	0.025
22	0.0568	0.053	0.05	0.025	0.025
23	0.0546	0.0525	0.05	0.025	0.025
24	0.0543	0.052	0.05	0.025	0.023077
25	0.0541	0.0515	0.05	0.025	0.021154
26	0.0539	0.051	0.05	0.025	0.019231
27	0.0537	0.0505	0.05	0.025	0.017308
28	0.0535	0.05	0.05	0.025	0.015385
29	0.0545	0.05	0.05	0.025	0.013462
30	0.054	0.05	0.05	0.025	0.011538
31	0.0535	0.05	0.05	0.025	0.009615
32	0.053	0.05	0.05	0.025	0.007692
33	0.0525	0.05	0.05	0.025	0.005769
34	0.052	0.05	0.05	0.023077	0.003846
35	0.0515	0.05	0.05	0.021154	0.001923
36	0.051	0.05	0.05	0.019231	0
37	0.0505	0.05	0.05	0.017308	0
38	0.05	0.05	0.05	0.015385	0
39	0.05	0.05	0.05	0.013462	0
40	0.05	0.05	0.05	0.011538	0
41	0.05	0.05	0.05	0.009615	0
42	0.05	0.05	0.05	0.007692	0

43	0.05	0.05	0.05	0.005769	0
<u>Policy</u> <u>Yr.</u>	<u>Age 25</u>	<u>Age 35</u>	<u>Age 45</u>	<u>Age 55</u>	<u>Age 65</u>
44	0.05	0.05	0.046154	0.003846	0
45	0.05	0.05	0.042308	0.001923	0
46	0.05	0.05	0.038462	0	0
47	0.05	0.05	0.034615	0	0
48	0.05	0.05	0.030769	0	0
49	0.05	0.05	0.026923	0	0
50	0.05	0.05	0.023077	0	0
51	0.05	0.05	0.019231	0	0
52	0.05	0.05	0.015385	0	0
53	0.05	0.05	0.011538	0	0
54	0.05	0.046154	0.007692	0	0
55	0.05	0.042308	0.003846	0	0
56	0.05	0.038462	0	0	1
57	0.05	0.034615	0	0	
58	0.05	0.030769	0	0	
59	0.05	0.026923	0	0	
60	0.05	0.023077	0	0	
61	0.05	0.019231	0	0	
62	0.05	0.015385	0	0	
63	0.05	0.011538	0	0	
64	0.046154	0.007692	0	0	
65	0.042308	0.003846	0	0	
66	0.038462	0	0	1	
67	0.034615	0	0		
68	0.030769	0	0		
69	0.026923	0	0		
70	0.023077	0	0		
71	0.019231	0	0		
72	0.015385	0	0		
73	0.011538	0	0		
74	0.007692	0	0		
75	0.003846	0	0		
76	0	0	1		
77+	0	0			

Issue ages less than 25 and over 65 use the age 25 and age 65 rates, respectively. Rates for other ages are linearly interpolated.

## Appendix B – Compensation Rates

Year	Up to Target Premium	Above Target Premium
1	98%	4%
2-10	5%	4%
11+	0%	0%

Target premiums are based on rates are per \$1,000 of basic face coverage and vary by sex, class and issue age. They are used to determine the net premium applied to the policy account value and compensation.

## **The Guardian Life Insurance Company of America**

### **Actuarial Memorandum for Accelerated Death Benefit for Terminal Illness Rider**

#### **Form 18-TIR UL**

Under this rider, Guardian will allow the owner of the policy to accelerate a portion of the death benefit through an interest-bearing lien. The insured can accelerate benefits if he can provide medical certification that he has an illness or physical condition that can reasonably be expected to result in death in 12 months or less.

The death benefit and cash surrender value will be reduced by the amount of the TIR lien. Monthly deductions will continue to be payable based on the full face value. There are no monthly deductions for this rider except for a one-time administrative fee of \$250.00 when the first claim is approved.

This memorandum will provide a detailed determination of the lien limits. The basic principle is that, by limiting the amount can be taken as a lien, there is no gain or loss to the company based on the assumption that the insured dies within the assumed life expectancies.

#### Total Lien Limit

If the insured is terminally ill, they can request an acceleration from a minimum of \$ 500.00 to a maximum of total lien limit. The Total Lien Limit will be determined as of the date of the request of the first TIR acceleration, when the claim is processed. It is equal to the policy account value plus 80% of the net amount at risk of the basic policy less any Accumulated LTC Amount disbursed.

The calculation of the Total Lien Limit takes place after any adjustments resulting from the Accelerated Death Benefit for Long Term Care Services Rider. If the TIR is exercised, the LTC rider will be terminated. Once the insured reaches this maximum, benefits will no longer be advanced; however, the lien will continue to accrue interest. Therefore, the lien interest capitalization may cause the lien to exceed the total lien limit.

The accelerated benefit payable to the owner will be less than the Total Lien Limit. We reduce the first payment by a \$250 administrative fee. We also reduce the payment if the payment plus lien carrying charges would exceed the Total Lien Limit. Finally, it may also be reduced by the required loan repayment as described in the next section.

#### Loan Repayment

Liens reduce the amount of available loan value. A lien may be established at the same time there is a policy loan. The insured can receive an TIR lien while there is an active loan if the TIR lien plus interest charges to the next policy anniversary plus any outstanding LTC lien and any loan indebtedness do not exceed the policy account value. If so, the insured must use a

portion of the accelerated death benefit payment to repay the excess loan so that the total lien and loan do not exceed the cash value.

### Impact of Liens on Policy Account Value

- Liens do not reduce the Policy Account Value
- For CAUL, the Policy Account Value that is supporting the lien will earn interest at the same rate as the loan
- Any Policy Account Value that is not supporting the lien will earn interest at the normal credited rate

### Administrative Fee

The first time this rider is exercised, an administrative fee of \$250 will be deducted from the first lien amount.

### Lien Carrying Charges

Carrying charges will be payable in arrears, similar to the interest on policy loans. The rate for the lien up to the policy account value of the basic policy will be the lower of the fixed loan rate or the variable interest rate used for the TIR rider. The interest rate charge on any lien above the policy account value will be based on a variable interest rate used for the TIR rider.

The variable interest rate for TIR is the Moody's Corporate Bond Yield Average as of the calendar month ending two months before the first day of the policy anniversary month. For example, the rate for policies with May anniversaries will be based on the Moody's Average as of the end of February. Once the variable rate is set for a policy as of the beginning of the policy year, it does not change until the following anniversary. Therefore, a policy with a May anniversary can have a different variable rate than a policy with a June anniversary.

### Lien Interest Capitalization

On the policy's anniversary the lien interest will be capitalized to the extent that the total lien (including any LTC distributions) plus the loan is less than the death benefit. This is unlike a policy loan, where interest is capitalized only to the extent that the total loan does not exceed the cash value.

If the total lien equals or exceeds the death benefit, the policy owner will be given the option to pay the excess lien interest out of pocket. The options are:

- Pay the full lien interest out of pocket in addition to the premium due. This option may appeal to owners who don't want the policy to lapse (perhaps due to other riders being present)
- Pay no interest or premium and let the policy be satisfied. All benefits and riders will end, and the policy status will become satisfied.

## Reserve Methodology

Any lien in excess of the reserve (for the policy) is a non-admitted asset. There are no additional reserves for this product.

### Example

The following example assumes that the acceleration takes place on the paid-to date.

Face Amount = \$500,000

Monthly deductions = \$2,165

Policy Account Value immediately before acceleration = \$264,235

Outstanding Loan immediately before acceleration = \$100,000

Accumulated LTC Amount immediately before acceleration = \$0

Surrender Charge = \$0

Net Death Benefit immediately before acceleration = Face Amount – Loan = \$500,000 - \$100,000 = \$400,000

Total Lien Limit = Policy Account Value + 80% of NAR - Accumulated LTC Amount = \$264,235 + 80%\*(\$500,000 - \$264,235) - \$0 = \$452,847

A payment of \$150,000 is requested. If the loan plus lien would exceed the policy account value, then we require that a portion of the lien go towards repaying the loan to the extent that the loan plus lien does not exceed the cash value. Since \$100,000 + \$150,000 is less than the policy account value of \$264,235, we do not need to reduce the payment. There is a \$250 administrative fee on the first payment. Therefore, we make a payment of \$149,750 and set up a lien for \$150,000.

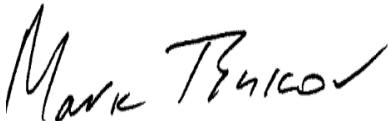
Net Death Benefit immediately after acceleration = \$400,000 - \$150,000 = \$250,000

Net Cash Surrender Value immediately after acceleration = \$264,235 - \$100,000 - \$0 - \$150,000 = \$14,235

Outstanding Loan immediately after acceleration = \$100,000 since a loan repayment was not required.

Monthly deductions do not change as a result of the acceleration.

The minimum Accelerated Benefit amount is the lesser of \$500 or the maximum amount available as determined by the Total Lien Limit. Let's assume a lien of \$12,000 when the insured dies. Assuming a death benefit of \$500,000 with no outstanding loan, the lump sum payable on the insured's death would be \$500,000 - \$12,000 = \$488,000.



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Mark Tynkov, FSA, MAAA  
Associate Actuary

April 10, 2018

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Date



## **DISTRICT OF COLUMBIA Certification**

This hereby certifies that the above captioned Program is in full compliance with District of Columbia Insurance Code §35-531 and the forms have achieved a Flesch reading score of at least 40.

<b>Form Title</b>	<b>Form Number</b>	<b>Flesch Score</b>
Accelerated Death Benefit For Long Term Care Services Rider	18-LTCR UL	50*
Accelerated Death Benefit for Terminal Illness Rider	18-TIR UL	50*
Outline of Coverage	18-LTCR OC UL	50*
Application Supplement	LTC APP SUPP UL DC	52

This form(s) is printed, except for specification pages, schedules and tables, in not less than ten point type, one point leaded.

\* Removed definitions for purposes of scoring

Peter Diggins  
Director, Individual Life – Product Filings and Compliance  
Date: March 13, 2018



# **The Guardian Life Insurance Company of America**

## **Variable Material for 18-LTCR OC UL**

Our submission of the above form for approval includes areas that have been bracketed as variable. With your consent, we intend to treat these variable fields as information that can vary, within a specified range, without requiring the form to be re-approved.

### **Variable 1: Customer Service Office**

This is the current address and telephone number of our Customer Service Office, which is currently P.O. Box 26100, Lehigh Valley, PA 18002-6100. We are considering this as variable data since we would like to retain the ability to change the address and phone number of the company without resubmitting the form.

### **Variable 2: Company Logo**

This is the company logo. If the logo changes, we would like to be able to modify the form without refilling.

# **The Guardian Life Insurance Company of America**

## **Variable Material for 18-TIR UL**

Our submission of the above form for approval includes an area that has been bracketed as variable. With your consent, we intend to treat this variable field as information that can vary, within a specified range, without requiring the form to be re-approved.

### **Variable 1: Officer Title and Signature**

Each form submitted has the officer(s) signature(s) and title(s) bracketed. If the officer or title changes, we would like to be able to modify the policy without refilling.

## **The Guardian Life Insurance Company of America**

### **Variable Material for 18-LTCR UL**

Our submission of the above form for approval includes areas in the form that have been bracketed as variable. With your consent, we intend to treat these variable fields as information that can vary, within a specified range, without requiring the form to be re-approved.

<b>Variable</b>	<b>Description</b>	<b>Range of Data, if applicable, or explanation of data</b>
Variable 1	LTC Pool	This is the LTC Pool amount. This amount is elected by the owner at the time of application. The maximum value is based on the face amount of the base policy and is the lesser of 90% of the base policy face amount or \$2,500,000.
Variable 2	Optional Nonforfeiture Benefit	This field will indicate whether or not an optional nonforfeiture benefit has been elected at the time of application. It will either show "elected" or "Not Available".
Variable 3	Current LTC Rider COI Rate	This is the current premium associated with the LTC rider. It is guaranteed for the first policy year and is based on a per \$1000 rate applied to the LTC Pool.
Variable 4	Maximum LTC Rider COI Rate	This is the maximum premium associated with the LTC rider. The value is based on the maximum premium rate multiplied by the LTC Pool.
Variable 5	Minimum LTC Pool	This is the minimum for the LTC Pool. Currently it is \$90,000. If we decide to change this value it would apply to only new issues and would be within the range of \$10,000 and \$200,000.
Variable 6	Maximum LTC Pool	This is the maximum for the LTC Pool. The value for this field will read "90% of the Basic Policy Face Amount". If we change this value, we will file a new Statement of Variability for approval.
Variable 7	Minimum Monthly LTC Benefit	This is the minimum monthly LTC Benefit that an owner can choose to receive when receiving benefits under this rider. Currently it is \$500. If we decide to change this amount it will be for new issues only and will be within the range of \$100 – \$1,000.
Variable 8	Maximum Monthly LTC Benefit	This field explains how to determine the Maximum Monthly LTC Benefit. Currently this field will display "the lesser of 2% of the LTC Pool or 60 times the per diem amount declared by the Internal Revenue Service for a given calendar year".
Variable 9	Officer Signature and Title	Each form submitted has the officer(s) signature(s) and title(s) bracketed. If the officer or title changes, we would like to be able to modify the form without refilling.

# **The Guardian Life Insurance Company of America**

## **Variable Material for LTC APP SUPP UL**

Our submission of the above form for approval includes areas that have been bracketed as variable. With your consent, we intend to treat these variable fields as information that can vary, within a specified range, without requiring the form to be re-approved.

### **Variable 1: Logo**

This is the Company logo. We are considering this as variable data since we would like to retain the ability to change the address of the company without resubmitting the form.

### **Variable 2: Customer Service Office**

This is the current address and telephone number of our Customer Service Office, which is currently P.O. Box 26100, Lehigh Valley, PA 18002-6100. We are considering this as variable data since we would like to retain the ability to change the address of the company without resubmitting the form.

### **D. C. Appendix**

<b>New Form Number</b>	<b>Description</b>	<b>Replaced Form Number</b>	<b>Approval Date/ Dept File No of Replaced Form Number</b>
18-LTCR UL	Accelerated Death Benefit for Long Term Care Services Rider	13-LTCR	02/03/2014 / GARD-129388286
18-LTCR OC UL	Outline of Coverage	14-LTC OC	01/23/2014 / GARD-129348011
LTC APP SUPP UL DC	Application Supplement	LTC APP SUPP DC	02/03/2014 / GARD-129388286
18-TIR UL	Accelerated Death Benefit for Terminal Illness Rider	13-TIR	02/06/2013 / GARD-128823578

### **Previously Approved Forms To Be Used**

<b>Form Number</b>	<b>Description</b>	<b>Approval Date/ Dept File No</b>
13-LTC Rate Disclosure	Long Term Care Insurance Potential Rate Increase Disclosure Form	02/03/2014 / GARD-129388286
13-LTC Notice	Things You Should Know Disclosure Form	02/03/2014 / GARD-129388286
13-LTC Personal Worksheet	Personal Worksheet	02/03/2014 / GARD-129388286